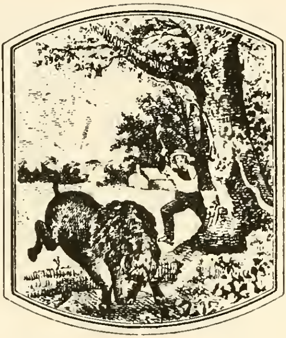

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REPORT

OF

THE TREASURER OF STATE

IN RELATION TO

THE THREE PER CENT. FUND.

DECEMBER 8, 1836.

Read, and 300 copies ordered to be printed.

TREASURY OFFICE,
Indianapolis, 8*th Dec.*, 1836.

Hon. Caleb B. Smith, Speaker of the House of Representatives:

I herewith transmit to be laid before the House of Representatives a statement of the operations and condition of the 3 per cent. fund.

N. B. PALMER,
Ag't 3 *per cent. fund.*

STATEMENT in relation to the three per cent. fund, submitted in conformity with a resolution of the House of Representatives, adopted January 16th, 1832.

The total amount received from the United States prior to the 1st Dec., 1835, including also $2,550 00 received from the State Treasury, is	$224,464 82	
There has been received from the U. States the present year	156,185 79	
		$380,650 61
The payments from this fund on the various appropriations to roads, rivers, and counties, prior to the 30th November, 1835, amount to	$205,505 80	
There has been paid on same account the present year	97,802 72	
The total amount of incidental expense, including Agent's salary &c., up to the 1st Dec., 1836, is	4,617 94	
		$307,926 46
		$72,724 15

Leaving a balance on hand on the 1st day of Dec., 1836, of $72,724 15.

The following table will show the amount appropriated to each of the several objects to which this fund has been directed. Also the amounts paid to, and the balance due to each. So fast as the appropriations to roads and rivers have been fully paid off, the amounts appropriated, and the amounts paid, have been consolidated under their proper heads; there being no apparent necessity of continuing to report them in detail after being liquidated.

The extraordinary amount of this fund which has been received the present year, may be attributed to two causes.

1st. The unexampled extent of the sales of the public lands; and,

2d. There has been paid to the Agent the present year the accruing per cent. on land sales for a period of one and a half years, embracing the three last quarters of 1835, and the three first quarters of 1836, bringing the payments to the Agent, down to the 31st Oct. of the present year.

The fact of the payments being brought down to so late a period, together with the probability that the sales of public lands will greatly decrease, will undoubtedly reduce the receipts of this fund, for the coming year, compared with those of the last, to a very inconsiderable amount.

The amount of the fund now on hand, however, as will be perceived by the following exhibits, is adequate to the discharge of all existing appropriations, except a balance of less than 6,000, which must be met by the county receipts.

No. of Road or County.	Road Commissioners & names of Counties.	Appropriation to each Road and County.	Amount paid to each.	Balance due to each.
R.				
12	George White	2,712 23	2,701 19	11 04
14	Garra Davis	3,033 80	3,025 02	8 78
	Amounts appropriated and paid on 53 roads	111,740 05	111,740 05	
	Amounts appropriated and paid on 10 rivers	2,050 00	2,050 00	
1	Adams (*County*)	3,500 00	900 00	2,600 00
2	Allen	3,387 50	2,771 74	615 76
3	Boone	3,500 00	3,426 86	72 14
4	Brown	2,000 00		2,000 00
5	Bartholomew	3,500 00	2,446 18	1,053 82
6	Clinton	3,387 50	2,859 24	528 26
7	Carroll	2,900 00	2,171 74	728 26
8	Cass	3,000 00	2,926 86	73 14
9	Clark	3,500 00	1,410 33	2,089 67
10	Crawford	3,500 00	2,535 85	964 15
11	Clay	3,387 50	1,387 50	2,000 00
12	Dearborn	3,500 00	1,500 00	2,000 00
13	Decatur	3,500 00	1,500 00	2,000 00
14	Dubois	3,500 00	2,971 74	528 26
15	Delaware	3,500 00	2,971 74	528 26
16	Daviess	3,500 00	2,882 07	617 93
17	Elkhart	3,500 00	2,971 74	528 26
18	Fountain	2,900 00	900 00	2,000 00
19	Floyd	3,500 00	1,410 33	2,089 67
20	Franklin	3,500 00	1,500 00	2,000 00
21	Fayette	3,500 00	2,971 74	528 26
22	Fulton	2,000 00	1,471 74	528 26
23	Gibson	3,500 00	2,882 07	617 93
24	Grant	3,500 00	2,971 74	528 26
25	Green	3,500 00	3,426 86	73 14
26	Huntington	3,387 50	2,423 35	964 15
27	Harrison	3,500 00	1,410 33	2,089 67
28	Hendricks	3,500 00	2,971 74	528 26
29	Hancock	3,500 00	2,971 74	528 26
30	Hamilton	3,500 00	2,971 74	528 26
31	Henry	3,500 00	2,371 74	1,128 26
32	Jackson	3,500 00	1,310 33	2,189 67
33	Jennings	3,500 00	2,971 74	528 26

34	Jefferson	3,500 00	2,971 74	528 26
35	Johnson	3,500 00	2,971 74	528 26
36	Jay	2,000 00		2,000 00
37	Knox	2,900 00	800 00	2,100 00
38	Kosciusko	2,600 00	2,066 96	533 04
39	Lawrence	3,500 00	2,426 86	73 14
40	Laporte	3,500 00	2,971 74	528 26
41	Lagrange	3,500 00	1,410 33	2,089 67
42	Miami	3,300 00	1,208 39	2,091 61
43	Montgomery	3,387 50	1,850 24	528 26
44	Morgan	3,500 00	3,426 86	73 14
45	Marion	3,500 00	3,070 00	430 00
46	Madison	3,500 00	3,426 86	73 14
47	Martin	3,500 00	2,971 74	528 26
48	Monroe	3,500 00	3,426 86	73 14
49	Marshall	2,000 00	1,926 86	73 14
50	Noble	2,000 00		2,000 00
51	Orange	3,500 00	3,126 86	373 14
52	Owen	3,500 00	3,426 86	73 14
53	Parke	2,900 00	2,371 74	528 26
54	Posey	3,500 00	900 00	2,600 00
55	Perry	3,500 00	1,240 01	2,259 99
56	Pike	3,500 00	2,971 74	528 26
57	Putnam	3,500 00	3,314 36	185 64
58	Porter	2,000 00		2,000 00
59	Ripley	3,500 00	2,946 74	553 26
60	Randolph	3,500 00	2,971 74	528 26
61	Rush	3,500 00	1,900 00	1,600 00
62	St. Joseph	3,500 00	2,971 74	528 26
63	Scott	3,500 00	2,971 74	528 26
64	Switzerland	3,500 00	1,460 10	2,039 90
65	Spencer	3,500 00	3,426 86	73 14
66	Shelby	3,500 00	2,371 74	1,128 26
67	Sullivan	2,900 00	2,371 74	528 26
68	Tippecanoe	2,900 00	900 00	2,000 00
69	Union	3,500 00	2,971 74	528 26
70	Vermillion	2,900 00	2,335 89	564 11
71	Vanderburgh	3,500 00	2,971 74	528 26
72	Vigo	2,900 00	2,371 74	528 26
73	Wabash	3,388 50	2,859 24	528 26
74	Warren	2,900 00	900 00	2,000 00
75	Washington	3,500 00	900 00	2,600 00
76	Warrick	3,500 00	1,400 00	2,100 00
77	Wayne	3,500 00	2,971 74	528 26
78	White	2,487 50	1,959 24	528 26
	Wabash appropriation	7,000 00	7,000 00	
		$381,848 58	$303,308 52	$78,540 06

The unpaid balance of appropriations to the several counties, as exhibited in the right hand column of the above table, (except the sum of $73 14 to each county,) is now on hand and ready for disbursement; notice of which has been regularly given by the Agent, through the public papers, as the money has been received from the U. States.

By this table it will be perceived that there has been specially appropriated to roads, rivers, and counties, the sum of		$381,848 58
The total amount received by the Agent from the U. S. and State Treasury, is	$380,650 61	
From which deduct the amount of incidental expenses	4,617 94	
		$376,032 67
		5,815 91

Exhibiting a balance of appropriation over the amount received from the U. States, &c., of $5,815 91.

This balance, when received and apportioned amongst the different counties, will make a dividend to each, of $73 14, and which will complete the payment of all existing appropriations.

All of which is respectfully submitted,

N. B. PALMER,
Ag't. 3 per cent. fund.

TREASURY OFFICE,
Indianapolis, 8*th Dec.*, 1836.

DOUGLASS & NOEL, Printers.

8

HOUSE OF REPRESENTATIVES.

Monday, December 12, 1836.

TREASURER'S REPORT.

Hon. Caleb B. Smith,

Speaker of the House of Representatives:

Herewith are transmitted to be laid before the House of Representatives,

1st. The Treasurer's Report of the General State of the Treasury.

2d. The Loan Office Report.—Statement A, presenting the operations of that Department, in reference to the College Fund; Statement B, the Saline Fund; and Statement C, the Congressional Township Fund.

3d. A list of the Borrowers of the College Fund—of the Saline Fund, and the Congressional Township Fund.

4th. The items of the Contingent Expenses; and

5th. A bill of the purchase and cost of Stationary.

N. B. PALMER, *Treasurer of State.*

Treasurer's Office, Dec. 10, 1836.

Treasury Department,
Indianapolis, 10th Dec. 1836.

The Treasurer of State, in obedience to the directions of the "Act concerning the Auditor of Public Accounts and Treasurer of State," submits the following Report of the Revenue and Expenditures of the State, and the operations of the Loan Office, &c., from the 1st of December 1835, to the 1st of December 1836.

There was a balance remaining in the Treasury, at the close of the last financial year, of $6,137 31 as follows, to wit:

Funds of the Treasury proper,	$663 06	
College fund,	4,891 81	
Saline funds,	582 44	
		$6,137 31

Receipts during the fiscal year from revenue of	1827,	145 79	
" " "	1834,	3 69	
" " "	1835,	50,569 57	
" " "	1836,	560 00	
			51,279 05
Rents paid by Superintendant of State Prison,			700 00
From sales of Michigan Road lands,			38,031 17
" Lots, &c. at Indianapolis,			1,342 56
Loans of Indianapolis fund refunded,			1,041 60
Interest on loans of Indianapolis fund,			218 78
Estates without heirs,			586 94
Incidental payments,			16 75
Congressional townships,			438 06
Militia fines,			33 00
The receipts in the College branch of the Loan Office Department have been from William Alexander, commissioner of Reserve Township in Monroe county,		$1,650 89	
James Smith " Gibson,		3,477 91	
Loans refunded,		6,961 05	
Interest on loans,		3,345 87	
Sales of mortgaged lands,		832 84	
			16,268 56
The amount paid into the Treasury of saline fund, appertaining to the Loan Office, has been from Andrew Wilson, commissioner of saline lands in Orange county,		$3,921 74	
Loans refunded,		510 00	
Interest on loans,		1,202 89	
Rents of Salt Lick Reserves,		270 12	
			5,904 75
Amount overpaid by the Treasurer of State,			4,265 61
			$126,264 14

The expenditures during the same period, have been

Pay and mileage of members of the Legislature, including clerks, door-keepers, &c.		$19,073 68
Printing and stationary,		6,348 51
Specific appropriations,		5,459 18
Contingent expenses,		1,047 62
Premium on wolf scalps,		512 50
Pay of Probate Judges,*	$2,929 50	
" Executive officers,	2,700 00	

(*Probate warrant No. 1936, $15, outstanding.)

" Judges of Supreme and Circuit Courts,	8,657 25	
" Circuit Prosecutors,	1,287 50	
" Adjutant and Quarter Master Generals,	192 00	
		15,766 25
Payments on account of State House,		9,830 12
" " " Prison,		1,573 54
" " " Library,		100 00
" " seat of government,		425 82
Presidential election,		289 90
Estates without heirs, refunded,		278 04
Michigan Road scrip redeemed,		37,256 17
Michigan Road,		552 88
The disbursements on account of the College Branch of Loan Office have been, Indiana College, including incidental expenses of Loan Office,	$3,804 67	
Loans of College Fund,	16,392 34	
		20,197 01
Payments on account of saline side of Loan Office, as follows:		
Amount of loans,	$6,425 00	
Saline Fund expenses,	139 86	
		6,564 86
Congressional Township Fund transferred,		988 06
		$126,264 14

The available means of the Treasury, for the ensuing year, may be estimated as follows:

Revenue of former years,	500 00
Revenue of 1836 yet due,	62,500 00
Rents from Superintendant of State Prison,	3,620 00
	66,620 00

The expenses will most probably be for salaries of

Judges and Prosecutors,	12,000 00
Executive officers,	2.600 00
Printing, Stationary and distributing laws,	6,000 00
Legislature,	28,000 00
Contingent and specific appropriations,	3,000 00
Probate Judges,	2,500 00
Wolf Scalps,	700 00
State Prison,	2,000 00
State Library,	2,008 00
Adjutant and Quarter Master Generals,	150 00
Presidential Election,	400 00

To which may be added the present deficit of the Treasury, including all unaudited and other claims, 15,000 00

72,550 00

Leaving the Treasury in debt, on the 30th Nov. 1837, $5,930 00.

The balance of the Revenue of 1835, with a slight exception, was paid into the Treasury, with the same promptness which had attended the collection of the previous years.

We have no data founded upon actual experience, upon which to base an opinion, favorable or unfavorable to the advalorem Law under which our assessments and collections are now made; but the returns now making, and the payments soon to be made at the Treasury, together with the observations of collecting officers, and others, will shortly disclose the character and bearing of that Law, and the amendments necessary to make its operations efficient in assessments and collections, and equitable in its exactions upon all the various interests of our population.

It was suggested in my last annual report, that there would be a deficiency in the Indianapolis Fund, to meet the expenses of the State House, of from ten to fifteen thousand dollars. This deficiency has been fully realized, as the payments of the last, and the present year on account of the State House, have anticipated the Indianapolis fund to the amount of $15,000—(besides the sums expended under the act of last session.) This has been from necessity, subtracted from the other means of the Treasury, which, under the best economy, was scarcely adequate to the ordinary expenses of the State.

The effect has been to produce a deficiency in the Treasury of $4,265 61 exclusive of the payments on account of the State House, under the act of last winter, and other claims not audited, amounting altogether to about $15,000.

It was supposed at the date of my last annual report, that the lots and public grounds at Indianapolis, which would be brought into market in the course of the current year, would reimburse to the Treasury the amount of $6,000, then already paid from the Treasury in anticipation of the Indianapolis Fund, as well as to meet the expenditures on account of the State House accruing the present year. Those lots not having been brought into market, the deficit remains to be provided for as the Legislature may deem expedient. Whether or not, this deficit will be met by a corresponding increase of the revenue, over the growing demands on the Treasury, through the ordinary expenses of the State, cannot now be ascertained, as the effects upon the revenue, under the operations of the advalorem law, have not yet been sufficiently tested, to enable a correct opinion to be formed. There is a probability, however, that a small increase will be realized; but the greater safety for the Treasury would seem to suggest the propriety of bringing into market, the lots in Indianapolis yet retained by the State. There has been presented at the Treasury, by the Lawrenceburgh and Indianapolis Rail Road company, under the provisions of the act of last session, mortgages to the amount of $221,000, and an equal amount of State bonds have been delivered to the company. The operations in the several branches of the Loan Office, still continue to manifest the salutary character of the law, and the safety and productiveness of the funds subject to be loaned under the superintendence of the Treasurer of State.

The balance of the property mortgaged by the late James Noble has been sold for an amount equal to the balance of the debt and interest. It is not now believed, that any portion of the the funds under the action of the Loan Office, is in a hazardous condition, but that all rests on such undoubted security, that no loss can reasonably be apprehended.

The expenditures on account of the State House, incident to the various requirements of the act of last session, will probably amount to about $5,000. The principal item of this expense has been on account of grading the State House square.

A detailed statement of the whole, will be made the subject of a separate communication.

All of which is respectfully submitted.

N. B. PALMER, *Treasurer of State.*

(No. 2.)

STATEMENT A.—COLLEGE FUND.

Report of the operations of the College Fund, from the 1st *of December,* 1835, *to the* 30th *November*, 1836.

RECEIPTS.

Cash on hand at last report,	4,891 81	
Received from James Smith, Commissioner of Reserved Township in Gibson county,	3,477 91	
" from William Alexander, Commissioner Monroe county,	1,650 89	
" Loans refunded,	6,961 05	
" from sales of mortgaged lands,	832 84	
" from interest on loans,	3,345 87	
		21,160 37

CONTRA.

Amount of loans as per list accompanying,	$16,392 34
State Seminary, including College expenses,	3,804 67
Cash on hand,	963 36
	21,160 37

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STATEMENT B.—SALINE FUND.

Report of the operations of the Saline Fund from the 1st *of December* 1835, *to* 30*th November* 1836.

RECEIPTS.

Cash on hand at last report,	$582 44
Received from Andrew Wilson, Commissioner of Saline Lands in Orange county,	3,921 74
Loans refunded,	510 00
Interest on loans,	1,202 89
Rents Salt Licks,	270 12
Amount over loaned,	77 67
	$6,564 86

CONTRA.

Amount of loans as per list accompanying,	$6,425 00
Saline fund,	139 86
	$6,564 86

STATEMENT C.—CONGRESSIONAL TOWNSHIP FUND.

Report of the operations of the Congressional Township Fund from the 1st *of December* 1835, *to the* 30*th November* 1836.

DR.

To amount of this fund transferred from treasury books,	$988 06
To interest on loans,	99 00
Amount over loaned,	29 44
	$1,116 50

CR.

By amount of loans,	1,100 00
Treasurer's per cent. on loans,	16 50
	$1,116 50

(No. 3.)

LIST OF BORROWERS OF THE COLLEGE FUND.

George Boon,	300 00
Freeborn Garretson,	100 00
Moses Parks,	87 50
Jonathan Parks,	100 00
Livingston Dunlap,	500 00
William George,	100 00
William Brown,	200 00
Richard Arnold,	200 00
Cornwell and Rowena Meek,	500 00
Emanuel Glympse,	300 00
Charles Neigbours,	400 00
Samuel Potts,	250 00
Robert Wilson,	250 00
Garrison Thompson,	100 00
John Blake,	150 00
James Goslen,	100 00
George Bishops,	300 00
Moses Walls,	100 00
Abner Edwards,	300 00
Jesse Isaacs,	150 00
Burr P. Dennis,	100 00
Nathan Snodgrass,	400 00
John Johns,	100 00
N. Kelly and S. Robinet,	300 00
Amos Clark,	500 00
W. Marshal and A. C. Griffith,	400 00
Grant Stafford,	275 00
James Hughey,	150 00
William Gregory,	500 00
Charmer P. Duffield,	500 00
Thomas D. M'Clain,	400 00
Samuel M'Kinley,	100 00
Samuel M'Clain,	460 00
Thomas Brumfield,	250 00
William H. Craig,	100 00
Jesse Johnson,	500 00
Robert Brenton,	250 00
Joseph Young,	300 00
Alexander Little,	400 00
John Thompson,	100 00
James Johnson,	500 00
Enoch Barlow,	500 00
Thomas Brown,	500 00
John and Juliet Beal,	200 00
William M'Carty,	400 00
Moses M. Henkle,	200 00
Jesse Whippo,	220 00

Robert John,	513 84
David W. Snider,	100 00
C. Fletcher and S. Merrill,	336 00
Isaac Snyder,	200 00
John Bowlan,	100 00
George Taffe,	500 00
John Matthews,	300 00
Carey H. Boatright,	400 00
Barzilia French,	75 00
David Shields,	125 00
Anthony Fryburgher,	300 00
William C. Robinson,	100 00
Cornelius Loy,	150 00
	$16,392 34

LIST OF BORROWERS OF THE SALINE FUND.

Seth Way,	$500 00
James Hamilton,	500 00
Ezekiel Thomas,	200 00
James N. Pope,	200 00
Henry Darnell,	200 00
William Pope,	300 00
James Gregory,	250 00
James Ingles,	200 00
John Ritchey,	300 00
John Douglass,	500 00
Hannibal R. Stevens,	250 00
Andrew Wilson,	500 00
Thomas Shelton,	200 00
John Parker,	400 00
Samuel Mitchell,	300 00
Levi Jessup,	500 00
Richard Curry,	100 00
Joseph Andrus,	250 00
Resin Davis,	100 00
Elijah Leary,	150 00
William Harter,	200 00
James B. Ray,	100 00
Joshua Muncy,	75 00
Samuel B. Shannon,	150 00
	$6,425 00

LIST OF BORROWERS OF CONGRESSIONAL TOWNSHIP FUND.

Seth Bardwell,	500 00
Moore M'Intosh,	200 00
Calvin Matthews,	200 00
Martin D. Bush,	200 00
	$1,100 00

Contingent Expenses from 1st *December* 1835 *to* 30*th November* 1836.

Paid N. B. Palmer for making out forms and forwarding to school commissioners,	$30 00
" Morrison & Tomlinson for stationary,	7 75
" Isaac Kinder for repairs on Governor's Circle,	14 00
" Peter Winchel for repairs,	11 00
" John L. Ketcham, private secretary to Governor,	50 00
" Landis & Morris for stationary,	7 82
" Samuel Harriett for transportation of arms,	10 30
" M'Carty & Williams for stationary,	37 21
" S. Atchinson for transportation of arms,	7 00
" T. T. Benbridge, " "	4 90
" John Cain for postage,	80 94
" James Morrison for making index to Senate Journal,	75 00
" N. Noble for survey of Princeton and Mount Vernon turnpike,	300 00
" John Cain for postage,	93 07
" John Cain, "	96 68
" J. D. Cassatt, Collector of Wabash Co. for over payment of revenue of 1835,	19 69
" S. C. Stevens for repairs on Governor's Circle,	3 25
" William Dutton for commission and storeage on arms,	87 82
" M. M. Henkle for ruling paper and stationary,	2 69
" M. M. Henkle for blank books,	1 25
" Yandes & Porter for repairs on Governor's Circle,	2 94
" John Cain for postage,	80 50
" J. M. Woolen for repairs on Governor's Circle,	21 96
" N. B. Taylor, " "	1 75
	$1,047 62

Amount paid by the Treasurer for Stationary, Carriage, &c. from December 1*st*, 1835, *to November* 30*th*, 1836.

December	Bought of Sheets & Grover,		
	80 Reams Royal No. 3,	$4 00	320 00
	132 " " "	"	528 00
	12 " Sup. Envelope,	5 00	60 00
	8 " " "	"	40 00

	9 Boxes and cooperage,		8 75
	Balance at last settlement,		6 00
	Paid W. R. Robbins for transportation,		29 26
	" John Wildman "		25 22
eb. 1st, 1836,	" L. W. Johnson, "		2 25
" 4th, "	" George Barron, "		7 65
	" W. Peary, "		6 66
ov. 5th,	" Williams Robbins. "		23 40
ctober 1836,	Bought of Leeds & Jones,		
	55 Reams fine Post, No. 1,	3 75	206 25
	20 " mingled "	4 25	85 00
	15 " envelope,	4 00	60 00
	Carriage on same,		10 35
ay	Bought of Josiah Drake,		
	2800 Quills No 10,	5 00	14 00
	3000 "	7 00	21 00
	2000 " 30,	10 00	20 00
	500 " 40,	13 00	6 50
	3000 "	6 00	18 00
	500 " 60,	3 00	15 00
	7 lbs wafers,	1 25	8 75
	4 doz. inkstands,		3 00
	4 " sand boxes,		4 00
	10 1-12 doz. brass-snuffers,		2 09
	4 1-12 " candlesticks,		1 68
	4 pices ribbon,		1 25
	3 doz. ink powder,		3 75
	4 doz. linen tape,		3 50
	6 " sand,		6 00
	4 " cotton tape,		1 00
	2 reams fine ivory post,		12 00
	3 " post,		15 00
	3 " "		15 00
	2 " ruled post,		9 00
	2 boxes,		1 00
	Expense of purchase, &c.		20 00

3, 19

H. R.

REPORT,

OF

THE AUDITOR OF STATE.

DECEMBER 13, 1836.

Referred to the Committee of Ways and Means, and 500 copies ordered to be printed.

Auditor's Office,
Dec. 13th, 1836.

Hon. Caleb B. Smith,
Speaker of the House of Representatives:

Sir—

Enclosed you have my annual Report of Receipts and Expenditures on account of the State of Indiana, for the year 1836; which you will please lay before the House.

Very respectfully, your obe't serv't,
M. MORRIS, *A. P. A.*

Auditor's Office,
Dec. 13th, 1836.

In obedience to the act entitled "An act concerning the Auditor of Public Accounts and Treasurer of State," the Auditor submits the following Report of the Receipts and Expenditures on account of the State of Indiana, from the 1st of December, 1835, to the 30th of November, 1836, both inclusive.

RECEIPTS.

There was remaining in the Treasury on the 30th Nov. 1835, provided all claims audited to that date were paid, - - - - -		$6,136 81
Since that period there has been received at the Treasury on account of revenue, for 1827	$145 79	
do do for 1834	3 69	
do do for 1835	50,569 57	
do do for 1836	560 00	
		51,279 05
r sales of Michigan Road lands	38,031 17	
" Rent of State Prison	700 00	
" Sales of Lots in Indianapolis	1,342 56	
" Loans refunded of Indianapolis Fund	1,041 60	
" Interest on same	218 78	
		41,334 11
From Estates without known heirs	586 94	
" Congressional Townships, (to loan)	438 06	
" Collectors of Militia Fines	33 00	
" Incidental payments	16 75	
		1,074 75
" Sales of Seminary Lands, and interest on same	5,128 80	
" Loans refunded of Seminary Fund	6,961 05	
" Interest on Seminary Loans	3,345 87	
" Mortgaged lands to Seminary Fund, sold	832 84	
		16,268 56
" Sales of Saline lands	3,921 74	
" Loans refunded of Saline Fund	510 00	
" Interest on Saline Fund loans	1,202 89	
		5,634 63
" For Rents of Salt Licks		270 12
Making the total amount of Receipts with Cash on hand at last report		$121,998 03

EXPENDITURES.

Since the above period, there has been audited for public Printing, Stationary, distributing laws, &c.	6,348 51	
For expenditures of last General Assembly	19,073 68	
		25,422 19
" Salaries of Executive officers	2,700 00	
" " Prosecuting Attorneys	1,287 50	
" " Supreme and Circuit Judges	8,657 25	
" " Probate Judges	2,944 50	
" " Adjutant and Quarter-master Generals	192 00	
		15,781 25
On account of State College	3,804 67	
" of State Library	100 00	
" of State Prison	1,573 54	
" of Michigan Road	37,809 05	
" of Seat of Government	425 82	
		43,713 08
" of Specific appropriations	5,459 18	
" of Wolf Scalps	512 00	
" of Loans of Seminary Funds	16,392 34	
" of Expenditures of Contingent fund	1,047 62	
" of State House	9,830 12	
		33,241 26
" of Loans of Saline Fund	6,425 00	
" of Expenditures of Saline Fund	139 86	
" of Transfer of Congressional township fund	988 06	
" of Expenses of Presidential Election	289 90	
" of Estates refunded to heirs	278 04	
		8,120 86
Making the total amount of Expenditures		$126,278 64

The Expenditures being $126,278 64, and the receipts only $121,-998 03, it will be seen that there is a deficit this year of $4,280 61.

In consequence of not receiving from several Clerks of Courts the the certificates of assessments of their respective counties, although they have been specially requested to do so, it is impossible, at this time, to say, with any certainty, what amount will be realized to the Treasury this year. It will not be less than $60,000, nor more than $65,000, after making all deductions allowed by the present revenne law.

Many deficiencies of the law are complained of by those having charge of the collections for this year; among others that of having to pay the amount due each Congressional township to the Treasurer of the township, instead of paying the whole amount to the School Commissioner, as is provided for the payment of the five per cent. on the gross amount collected.

Another suggestion from the same source is, that it would greatly facilitate the collections, and better accommodate the people, if certain days were fixed to meet them in their respective townships.

Another, that of employing but one assessor to each county to insure uniformity of valuation throughout the county, and that the assessment roll, shall, in all instances be returned to the Board doing county business, made out alphabetically, and the duplicate so furnished by the Clerk to the collector.

A statement will be made out so soon as the returns of the remaining counties to be heard from are received, exhibiting the valuation of each county, with the amount received from each, and laid before the General Assembly.

Respectfully submitted, MORRIS MORRIS, *A. P. A.*

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Respectfully submitted, MORRIS MORRIS, *A. P. A.*

Douglass & Noel, Printers.

House of Representatives,

DECEMBER 23, 1836.

REPORT

OF THE

AUDITOR OF PUBLIC ACCOUNTS.

Referred to the Committee of Ways and Means, and 500 Copies ordered to be Printed.

AUDITOR'S OFFICE, Indianapolis, December 22d, 1836.

IN obedience to a resolution of the House of Representatives requesting the Auditor of Public Accounts, to lay before the House of Representatives, a statement of all the sources of Revenue in the State of Indiana for the year 1836, the Auditor submits the enclosed table containing the required information, so far as the certificates of Assessments from the respective Clerks have been forwarded. In shewing the amount due the Treasury for the year 1836, it must be recollected that many of the collectors have failed to pay over the five per cent. set apart for school purposes, and many more of them have failed to pay over the twelve and a half per cent. on each Poll due the Congressional Townships—which sum when deducted from the gross amount of Revenue and Polls, must considerably reduce the amount of Revenue, as here shown.

Respectfully submitted,

M. MORRIS, Auditor of Public Accounts.

Names of Counties.	No. of Polls.	Acres.	H'ds.	Value of Lands and Improvements.	Value of in and out Town Lots.	Value of Corporation Stock,	Aggregate Val. of all other taxable property	Total amount of Taxables.	Gross amt. of taxables without deduction.	Nett amount due Treasury for 1836.	Nett amount for 1835.	Increase of Revenue.	Decrease.
				Dollars. Cents.	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.
Allen,	815							873,180 00	844 09	584 38	301 35	276 03	
Adams,	62	895	49	10,317 50			7,263 17	17,580 67	39 79	23 77			
Bartholomew,	1,092	80,059	55	797,696 00	73,685 00		333,200 00	1,204,584 00	1,148 29	927 05	701 31	132 71	
Boone,	701	23,595	00	169,332 00	20,216 00		118,141 96	307,689 96	549 34	459 78	305 48	154 30	
Brown,	131	720	00	4,520 00			4,697 50	9,217 50	65 05				
Clark,	1,561	185,051	57	1,760,570 50	390,602 00	36,793 00	566,826 61	2,754,792 11	2,157 89	1,756 27	1,389 73	366 51	
Clay,	485	14,196	39				163,769 05	163,769 05	321 38	245 60	241 37	31 23	
Crawford,	480	31,500	00	154,692 00	22,691 00		103,520 00	280,903 00	384 95	290 45	268 80	21 65	
Carroll,	847	40,409	00	432,139 00	52,682 00		206,241 00	691,062 00	759 03	655 46	509 94	145 52	
Cass,	987	13,723	00	247,693 00	182,135 00		164,779 00	595,100 50	790 80	449 02	260 31	188 71	
Clinton,	725	85,122	49	558,412 06	32,236 00	1,610 00	187,625 00	779,883 00	752 41	606 91	542 39	64 52	
Dearborn,	2,229	180,290	06	2,673,393 00	475,341 00	481,178 60	710,810 00	4,340,722 00	3,009 87	2,497 85	1,408 93	998 72	
Decatur,	1,333	93,227	96	1,099,057 00	95,225 00		381,756 00	1,576,168 00	1,451 51	1,082 81	888 78	194 03	
Daviess,	786	75,272	35	313,428 00	48,207 00		199,335 00	579,297 00	682 61	491 74			
Dubois,	307	17,711	50	92,937 00				183,502 00	245 25	203 56	226 68		23 12
Delaware,	808	27,362	44	239,540 00	43,928 00		174,558 00	458,026 00	633 01	469 56	341 53	128 03	
Elkhart,	823	7,363	75	100,076 00	29,928 00		177,835 22	307,849 22	565 42		324 09		
Fayette,	1,302	122,951	63	2,269,396 00	145,916 00	3,819 50	503,392 00	2,982,543 50	2,142 27	1,646 16	1,117 76	528 40	
Floyd,	1,258	66,011	00	685,856 00	1,016,915 00		443,535 00	2,146,306 00	1,702 15		594 85		
Franklin,	1,554	135,357	11	1,739,300 80	118,987 00		501,695 12	2,376,062 92	1,965 03	1,444 99	1,198 53	246 46	
Fountain,	1,602	146,027	00	1,372,122 00	136,639 00	1,743 00	505,178 50	2,015,682 50	1,808 84	1,356 37	1,086 26	270 11	
Fulton,	83	11,082	78	66,721 38	6,000 00		14,486 50	87,207 88	85 10	63 34			
Gibson,	1,077	86,423	00	584,022 00	71,350 00	5,496 00	390,922 00	1,051,790 00	1,064 49	910 67	826 96	83 71	
Green,	691	43,064	84	226,740 00	16,031 00	172 00	205,247 00	448,190 00	569 59	371 74	420 51		48 77
Grant,	390	11,746	00	116,879 00	9,165 00		23,147 00	140,026 00	265 00	222 21	159 37	62 81	
Hamilton,	880	37,912	21	302,471 00	31,793 00		122,219 00	456,483 00	668 24	529 78	458 88	70 90	
Harrison,	1,564	173,651	32	865,187 00	83,106 00	50 00	354,613 00	1,303,246 00	1,433 62	1,021 44	1,154 88		133 41
Hendricks.	1,403			742,259 00	73,273 00	495 00	389,895 00	1,205,922 00	1,304 46	1,067 41	787 07	280 34	
Henry,	1,765	121,276	00	1,172,452 00	91,484 00	250 00	336,994 00	1,604,180 00	1,684 59	1,172 82	1,112 92	59 90	
Hancock,	817	35,610	77	310,913 00	40,181 00		139,618 79	490,710 79	668 85	522 26	383 53	138 73	
Huntington,	220	1,465	00	7,260 00	19,190 00		19,720 00	51,635 00	135 82	76 56	90 32		13 76
Jackson,	979	88,218	00	518,187 00	38,851 00	4,600 00	218,802 00	779,840 00	879 42	695 27	741 82		16 55
Jefferson,	1,882	141,250	75	1,608,204 00	1,054,925 00	108,000 00	732,655 01	3,503 784 00	2,692 87	2,033 62	1,220 07	813 55	
Jennings,	831	52,717	00	353,956 00	60,063 00		180,697 00	594,716 00	712 86	523 55	574 66		51 11
Johnson,	1,172	82,191	93	668,230 00	34,756 00		263,044 00	966,030 00	1,060 01	801 99	808 94		6 95
Jay,													
Knox,	1,245	153,581	73	917,144 00	348,677 00		429,606 00	1,695,427 00	1,470 21	1,272 83	1,013 95	258 88	
Koscinsko,	287	54,448	00	103,570 00		75 00	66,273 27	161,843 27	224 42				
Lawrence,	1,440	130,089	00	930,502 00	92,906 00		361,541 00	1,384,949 00	1,412 47	1,023 66	1,060 10		36 44
Lagrange,	535						84,617 50	84,885 00	309 91	254 25	101 27	52 98	
Laporte,	1,148	71,536	22	769,650 35	710,721 50	3,000 00	353,109 14	1,836,481 36	1,492 24	891 10	687 11	203 99	
Madison,	874	4,299	00	39,980 00	415 00	375 00	29,055 00	579,242 00	725 62	555 22	421 03	134 19	
Marion,	2,035	162,892	00	1,752,003 00	909,752 00		464,754 00	3,126,500 00	2,580 75	1,975 70	1,408 88	506 82	
Martin,	382	21,118	14	102,041 00	9,888 59		60,733 00	173,262 50	277 63	221 32	214 86	9 46	
Monroe,	1,120	71,635	00	695,133 00	103,329 00		347,776 00	1,150,309 00	1,135 18	746 27	714 38	31 89	
Montgomery,	1,923	204,530	51	1,945,968 00	225,753 00		581,613 62	2,756,334 62	2,330 67	1,949 28	1,536 39	412 89	
Morgan,	1,232	80,115	34	701,558 00	60,370 00	2,636 00	287,586 00	1,052,450 00	1,142 22	799 76	783 50	16 26	
Miami,	369	9,198	74	85,524 00	47,831 00	69,576 00	202,931 00	202,931 00	285 96	164 73	84 07	80 66	
Marshall,	126	17,405	69	121,453 00	7,450 00		24,753 85	153,657 07	139 83	118 21			
Noble,	180						32,124 00	32,124 00	106 06	80 69			
Orange,	1,073	90,880	60	478,592 00	58,660 00		327,389 00	864,631 10	968 82	814 29	790 43	23 86	
Owen,	867	55,283	33	336,743 01	32,001 25	989 00	197,268 85	567,005 14	717 00	520 64	515 62	5 02	
Parke,	1,567	144,379	54	1,257,611 00	87,674 00	11,971 50	469,831 03	1,827,087 53	1,607 04	1,246 21	1,185 42	60 79	
Perry,	512	28,251	47	195,737 00	22,540 00		100,553 00	318,830 00	430 41	382 32	336 61	45 71	
Pike.	517	33,370	14	168,938 00	21,787 00	1,017 00	137,193 00	328,965 00	420 98	339 26	333 19	6 07	
Posey,	1,132	98,731	00	881,312 00			462,509 00	1,343,821 00	1,287 91	967 38	885 99	81 39	
Putnam,	1,911	130,256	00	1,042,194 00	101,882 00	2,350 00	429,740 00	1,592,100 00	1,724 55	1,201 96	1,234 23		32 27
Porter,	320	159	80	1,590 00			56,471 86	58,061 86	189 03				
Randolph,	1,012	66,354	56	439,883 00	21,128 00		108,203 00	569,214 00	790 60	643 72	528 52	115 20	
Ripley,	986	86,669	00	530,695 00	39,282 00		314,861 00	784,838 00	885 42	604 63	679 19		74 56
Rush,	2,077	193,967	89	2,300,174 00	57,821 00	1,930 75	661,111 00	3,021,037 75	2,549 02	1,934 39	1,766 05	158 34	
Scott,	515	53,004	00	199,115 00	20,092 00		113,002 00	332,207 00	423 66	282 90	422 63		139 73
Shelby,	1,522	118,351	83	1,020,725 00	64,166 62		323,275 75	1,408,166 87	1,465 08	1,089 32	1,088 84	48	
Spencer,	565	47,920	84	223,373 00	16,013 00		129,233 39	368,619 39	466 81	424 62	437 88		13 26
Switzerland,	1,242	99,720	02	1,069,590 00	115,232 00		400,483 00	1,585,305 00	1,363 65	1,120 99	1,038 24	82 75	
St. Joseph,	886	55,077	57	489,911 00	176,053 00	28,000 00	207,348 00	901,912 00	981 95	666 44	459 09	207 35	
Sullivan,	912	71,238		366,439 00	38,851 00	2,956 00	236,605 00	644,851 60	793 42	565 61	672 36		106 75
Tippecanoe,	1,853	178,053	93	1,589,587 00	435,045 00	32,125 00	540,299 00	2,597,056 00	2,225 03	1,752 20	1,308 64	443 56	
Union,	1,077	102,900	94	1,494,091 50	53,100 00	135 00	427,949 00	1,975,275 50	1,526 14	1,278 39	900 78	377 61	
Vanderburgh,											354 25		
Vermillion,	1,170	70,328	68	531,316 00	86,594 00	17,187 00	300,711 60	978,792 87	1,074 40	850 21	701 65	148 56	
Vigo,											1,266 20		
Warrick,	670	40,617	49	169,386 00	31,112 50	343 75	153,246 87	354,089 12	112 04	418 80	390 20	28 60	
Washington,	1,770	168,899	00	1,129,694 00	173,532 00	1,000 00	628,974 00	1,933,200 00	1,851 00	1,414 99	1,400 62	14 37	
Wayne,	3,076	234,644	00	2,951,761 00	436,148 00	49,250 00	998,928 00	4,416,087 00	3,746 04	2,728 66	2,135 02	593 64	
Warren,	878	74,348	77	560,060 00	51,534 00	172 00	337,466 00	949,232 00	913 62	730 38	616 41	113 97	
White,	240	7,842	60	57,730 00			62,875 00	120,605 00	180 30		60 22		
Wabash,	241	18,846	00	72,869 00	27,306 00	2,198 00	27,552 00	129,925 00	185 46	128 19	96 30	31 89	
	75,318	5,485,363	70	$49,987,902 07	$9,203,881 37	$870,923 50	$20,429,981 56	$78,589,061 45	$77,961 98	$57,366 91	$50,244 03		

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REPORT,

OF THE

STATE BANK OF INDIANA.

DECEMBER 16, 1836.

Referred to the Committee on the State Bank, and 1000 copies ordered to be printed

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State Bank of Indiana,
December 16, 1836.

Hon. Caleb B. Smith,
Speaker of the House of Representatives:

SIR—

Please to lay before the House of Representatives the accompanying report of the State Bank of Indiana and Branches.

Very respectfully, your ob't serv't,
SAM'L MERRILL, *President.*

To the Honorable,
The House of Representatives of the State of Indiana, in session:

The Board of Directors of the State Bank of Indiana, in obedience to law, respectfully submit their

ANNUAL REPORT.

Semi-annual examinations of the several Branches have been made under the direction of the State Board pursuant to the charter; and it is gratifying to state, as the result thereof, that the business of the Branches appears to have been conducted with prudence and ability; and that the accounts of their operations, as exhibited by their books and papers, correspond with their semi-monthly reports to this Board, except in a few instances of errors of minor importance, readily corrected when observed

From these reports, up to the 26th November, 1836, the condition of the Institution, as shewn in the accompanyiag statements, presents full evidence, both of its entire safety, and its general prosperity during the past year.

The object of the first solicitude on the part of this Board, as it will ever be *that* of the State, being so large a stockholder, is of course as to the safety of the Bank; and in this respect, its affairs will favorably compare with those of any banks in the Union.

The accompanying statements of the means, and debts of the institution exhibit the following result, so far as regards its obligations to the public:

Resources.		*Liabilities.*	
Bills discounted	2,292,724	Notes in circulation	1,927,050
Bill of Exchange	883,888	Dividends due	30,345
Real Estate	48,901	School Fund	4,200
Personal property	6,001	Public Deposites	2,276,357
Due from other Banks	1,457,204	Private Deposites	431,703
Remittances, Canal Fund, &c.	176,692	Due other Banks	66,867
Notes of other Banks	489,753		
Specie	1,204,737		
	$6,559,900		$4,736,522

The dividends declared during the past year, with the abundant additions made to the Surplus Fund, will give as satisfactory evidence to the state, as to its *profits* arising from its bank stock, as does the above view, with regard to the *security* of its investments.

In the ten original Branches, the dividends varied from eight to ten and a half per cent. At the 11th Branch, at Fort Wayne, five per cent. was divided for the last six months—the profits of the first half of the year having been passed to the Surplus Fund. The Surplus Fund of the Bank has been increased during the last year $93,133 21; making the total Surplus Fund at this time $129,312 56.

On her $700,000 of stock in the Bank, in use during the year past, the state has received by dividend (in addition to her interest in the increase made to the Surplus Fund,) the sum of $63,600, being over nine per cent.; leaving $28,600 clear, beyond the interest paid by the state on that amount of her loan.

The School fund retained in bank this year out of the Stockholders' dividend, is $2,200, making the amount of that fund $4,200.

During a considerable part of the present year nearly all the Branches have extended their discount to twice and one-third their capitals, which was the limit fixed by the State Board; and the circulation of the bank in general extended nearly as far as is allowed by the charter. Specie was abundant, and the business of the bank and its customers never appeared more flourishing. Within a short period however, a material change has taken place. Specie has not been imported as usual from Mexico. The efforts of the Government and others to draw specie

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from Europe have been much counteracted by the Bank of England. The suppression of small notes in several of the states, and especially the distinction made by the Government between specie and paper, in the payment for public lands, have altogether brought about a state of things seriously affecting the money market. A portion of the specie in the vaults of banks represented by twice or thrice its amount in paper has been withdrawn by the paper being thrown upon the banks for redemption, and the circulating medium of the country has been much diminished. Under these circumstances it is evident that the accommodations of banks would necessarily be much restricted; and that banks situated as ours, are peculiarly effected, may be gathered from the following facts:

At the end of the first six months of the last fiscal year, 30th April, the circulation of the Bank amounted to $2,204,630. At the close of the year, 31st October, it was $1,825,150; being a reduction of $379,480 in six months.

The private deposites within the same period were reduced $73,641 73, from $404,273 37 to $330,631 64. With the new instalment coming in, the aggregate of our business is of course somewhat since enlarged. To what extent the progressive diminution of circulation will extend after the 15th December, when nothing but gold or silver will be received for public lands, cannot be anticipated. But it is manifest, that from the location of our branches in the vicinity of the land offices, and that the public land in our state continues deservedly to be so much an object of attraction, our circulation must be liable to be so much influenced by these and other causes, that the extent of accommodations which the business of the country calls for, and which for its own interest and prosperity, the bank would be prompt to render, may not be in its power, consistently with its higher obligation to be at all times abundantly safe.

There appears, however, no sound reason why we may not anticipate that the principal obstructions to the usual banking facilities, and especially with regard to our own Bank will before long be removed.

Our specie is abundant—our capital is small compared with the actual business, wealth, and wants of the state. The last instalment in the original branches, the second instalment in the eleventh branch, and the increase by private subscription of $60,000 at Madison, and $45,000 at Lawrenceburgh, will make our capital actually paid in but $1,825,000. The Directors of the Branches being personally liable for its correct management, and the separate interests yet common responsibilities of the branches for each other, would seem to secure its solvency under almost any circumstances. If, therefore, it furnishes a secure circulating medium to do the business of the country, if it facilitates our trade and increases the amount of our comforts, all which must be apparent to those who will fully examine the subject, there would seem to be no more necessity of throwing obstructions in its way, than there is of checking the improvements in the mechanic arts, or the facilities of intercommunication between the different parts of our country. As well might we destroy the steamboat, canal and rail road,

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and return to packhorses and perogues, as attempt to destroy all the facilities, which universal credit and deserved confidence have given to our banking institutions.

It may not be amiss to inquire in what manner, and at what expense the business of the country would be done, if specie alone were the circulating medium. The advantages of credit could no longer be enjoyed, and capacity for business, integrity, and enterprise, which now not unfrequently, with merely borrowed capital, engage in the most important concerns with success, would no longer find encouragement. Only the few who possess large capitals could engage in business to any extent, and (as there would be no accumulation of funds through banks for use,) they would gather specie slowly, and much of it would lie long useless, previous to being employed in any important operations. Its transportation would be tedious, expensive and hazardous, and the thousand conveniences that now arise from exchanges, commissions, and agencies, must be lost when credit perishes. What little business could be done, would be at the discretion of the few, whose interest would never lead them to compete with each other.

But the amount of business which can be performed with specie is far less, perhaps not half that which can be done with even the same amount of paper. The one has, as it were, wings, passes swiftly from hand to hand, and meets with little detention or obstruction in its career of usefulness. The other passes heavily along, or is, upon the slightest suspicion of an unfavorable change in the state of the times, laid aside, so as often sensibly to affect every kind of business in the community; while being collected or in transitu from one point to another, or while deposited in the private desk or money bag, it is not of the slightest use to any one. But banks use even their temporary deposites in exchanges and other useful operations. They calculate accurately, while their funds are being transmitted without hazard of loss, from and to all places where correct business is done; and they may keep in active operation not only the whole means of the country, but by credit and character double, and perhaps treble those means to increase the general prosperity and comfort. It is manifest to every reflecting mind how fatal the consequences to us must be, if, instead of a sound paper currency, sufficient for the business of the country, we were obliged to substitute a medium one third in amount, and with a much diminished capacity for usefulness.

It is also sometimes objected to banks, that they are monopolies, and institutions fraught with danger to the liberties of the country. In what this monopoly consists it would be extremely difficult to determine. The stock of banks is in market open for purchase to all who choose that mode of investing their property; but in general so many more profitable fields for employing funds are open around us, that few persons engaged in active business will select this mode of investing their money. Instead of the eight or ten per cent. dividend per annum derived from bank stocks, they expect and generally realize much greater profits from merchandize, trading in produce or real property, or almost any of the pursuits open to enterprize. But property in

INDIANA STATE LIBRARY

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bank stock is more generally selected by those too far advanced in life for active pursuits, or to provide regular incomes for the support of widows or the education of children. That property apparently so well calculated for the wants of such persons as have nothing to gain from hazard, and which is also well adapted to the wants and uses of the rest of the community, should be subject to the prejudices and hostility from a mere misapplication of terms of reproach, must be a matters of surprise to every camly reflecting mind. Not only are stockholders incapable, from their habits and situation in life, of injuring the country, but as the prosperity of all banks must mainly depend upon the punctuality and strict attention to business, on the part of their customers, it is scarcely possible that their efforts should ever be exerted against the common good, in which they have so deep an interest.

It is frequently objected to banks, that because it is not in their power to loan to all who may apply and offer what they deem sufficient security, therefore no benefits accrue to the community generally. But the advantages of correct banking are far from being confined to the borrowers of the funds, who, on the contrary, in a change of times are the first to feel embarrassment.

Where well regulated banks exist, more competition, greater regularity and punctuality will prevail in the transaction of the business of the country generally; smaller profits will, by competition, have to satisfy the dealer; and purchasers will have to calculate more accurately their real wants and their means of payment.

It will always be of great importance to the citizens of Indiana, perhaps more than to almost any others in the Union, that they should not anticipate largely the profits of their farms and their industry. While the cotton, tobacco, sugar and many of the manufactures of other states may be kept on hand, even for years, to find a market, the products of our state must in general be disposed of within their season; and the prices of those products depending upon the wants and ability to purchase of the other states and communities, must be liable to greater fluctuation. If, therefore, we so manage our affairs, as to require high prices to be able to comply with our contracts, our welfare and prosperity will be seriously endangered, whenever, from any cause, the value of our produce shall not equal our anticipations. It is certainly unbecoming an intelligent people that they should incur such hazards by calculating upon prices they may never receive, to make payment often for articles that might have been dispensed with. To the industrious, economical, and prudent, it will be small cause for complaint that land and produce vary in their prices.

By a contract with the Treasury department, this institution is made one of the depositories of public money, under the late act of Congress on that subject. As a part of which the pensioners in the state are paid by the Branch nearest their residence.

The establishment of a 13th Branch has not been acted on, inasmuch as the assent of the Branches, as required by the charter, has not, as yet, been given to the amendment authorizing it. On the first day of March last, the full approval of the State Bank and each Branch thereof to the act of the General Assembly entitled "An act amendatory of an act establishing a State Bank," approved January 28, 1834, and which amendatory act was approved January 26, 1836, was filed in the office of the Secretary of State.

In reference to one of the provisions of such amendment, the Directors of the State Bank, at their first meeting in the present year, proceeded to appoint a committee to examine the 12th Bank District preparatory to an immediate establishment of that Branch, if it should appear for the public good so to do. This examination was held by a part of the committee, and a report was made on the subject to the State Board at their May session.

The large tract of territory embraced within the 12th district, its recent settlement, rapid improvement, and the prospect of its future wealth and importance, render it very difficult, on a hasty view, to do justice to the different points asking for the location of the Branch; and therefore a decision in this respect has been postponed for the present. The time is probably not remote, when at more than one of those points, a Branch of the Bank might be made profitable to the stockholders and advantageous to the public.

The northern part of our state will be found ere long to possess advantages that have not yet been duly understood and appreciated by many of our citizens in other portions of the state. Its inexhaustible beds of iron ore—its water power—its susceptibility of internal improvement—its almost unlimited capacity for the production of wheat, and the growth of stock, combined with its commercial advantages, promise soon to make it, in the hands of its enterprising inhabitants, a highly interesting, populous and flourishing portion of Indiana.

Respectfully submitted, on behalf the Board of Directors,

SAMUEL MERRILL, *President.*

Statement of the Condition of the State Bank of Indiana, on Saturday, November 26, 1836.

Bills discounted and notes purchased	$2,292,724 69		Capital Stock paid in		1,585,481 51
Bills of Exchange	883,888 41		Notes in circulation	1,970,595 00	
		3,176,613 10	Among the Branches	43,545 00	
Suspended debt		2,650 00	Actual Circulation		1,927,050 00
Real Estate—Banking House		48,901 32	Treasurer of the United States		2,267,489 68
Furniture		6,001 72	Pension Agent of Indiana		8,868 08
Deposites in, and Dues from Branches and other Banks:			Deposites by, and Dues to Branches and other Banks:		
Branches—Indianapolis	410,073 24		Branches—Indianapolis	3,995 74	
Lawrenceburgh	130,919 77		Lawrenceburgh	299,698 23	
Richmond	37,174 37		Richmond	91,482 55	
Madison	144,687 01		Madison	61,988 78	
New Albany	109,482 35		New Albany	1,108 05	
Evansville	4,636 23		Evansville	58,373 04	
Vincennes	32,245 83		Vincennes	37,350 12	
Bedford	2,450 00		Bedford	35,924 97	
Terre-Haute	5,140 91		Terre-Haute	47,948 72	
Lafayette			Lafayette	68,057 91	
Fort Wayne	9,216 27		Fort Wayne	126,271 79	
		886,025 98			832,199 90
Other Banks		1,457,204 65	Other Banks		66,867 08
Remittances		131,568 72	Dividends due Stockholders		30,345 44
State Bank of Indiana		22,925 62	State Bank of Indiana		157,984 50
Commissioners of the Sinking Fund		40,165 13	Commissioners of the Sinking Fund		37,324 00
			Commissioners of the Canal Fund		27,253 87

Statement of the Condition of the State Bank of Indiana, on Saturday, November, 26, 1836.

(CONTINUED.)

Commissioners of Canal Fund	69,536 00		School Fund	4,200 00
Cash—Bank notes of other State			Surplus Fund	129,312 56
Banks	489,753 39		Individual Depositors	431,703 16
Specie—Gold	67,027 17		Profit since last dividend	30,003 44
Silver	1,137,710 42			
		1,204,737 59		
		$7,536,083 22		$7,536,083 22

JAMES M. RAY, *Cashier.*

Statement of the Condition of the State Bank of Indiana, on Saturday, November, 26, 1836.
(CONTINUED.)

Commissioners of Canal Fund	69,536 00		School Fund	4,200 00
Cash—Bank notes of other State Banks	489,753 39		Surplus Fund	129,312 56
Specie—Gold	67,027 17		Individual Depositors	431,703 16
Silver	1,137,710 42		Profit since last dividend	30,003 44
		1,204,737 59		
		$7,536,083 22		$7,536,083 22

JAMES M. RAY, *Cashier.*

Condition of the Branches of the State Bank of Indiana, on Saturday, November 26, 1836.

RESOURCES.

BRANCH.	Bills discounted and Notes purchased.	Bills of Exchange.	Deposites in and dues from other Branches,	and Banks, &c.	Suspended debt.	Banking House.	Furniture.	FOR STOCK Comm'rs. of Sinking Fund.	FOR STOCK State Bank of Indiana.	Comm'rs. of Canal Fund.	Remittances.	Notes of the Branches.	Notes & checks on other Banks.	Specie.
Indianapolis,	239,077 42	47,629 64	410,073 24	421,152 48		5,500	901 08			60,396	89,772 72	310	17,628	73,199 87
Lawrenceburgh,	160,959 34	163,290 55	130,919 77	260,150 19		10,281 73	388				41,796		274,164 47	276,565 60
Richmond,	238,487 69	68,300 02	37,174 37	232,161 59		3,218 12	184 79		22,925 62				4,465	81,021 31
Madison,	187,975 14	283,790 98	144,687 01	220,570 95		8,614 67	564 21					1,745	25,944 33	104,577 93
New Albany,	218,395 35	109,051 52	109,482 35	144,481 29		4,377	1,074 80			2,000		24,410	41,235	152,986 35
Evansville,	201,738 61	11,643 50	4,636 23	14,650 33		1,000	875 39					5,360	5,725	89,174 93
Vincennes,	232,151 27	22,695 07	32,245 63	28,552 11		2,400	569 94					405	41,095	71,680 54
Bedford,	153,869 38	80,008 65	2,150	4,544	1,500	1,503 43	127 88	30,354 88				2,380	18,735	76,625 52
Terre Haute,	196,814 90	37,344 22	5,140 91	80,206 70		8,331 50	628 06	9,810 25				450	27,358 37	62,934 52
Lafayette,	298,898 79	2,443		43,650 11	1,150	1,628 12	278 84			7,140		2,810	12,573 22	74,187 06
Fort Wayne,	164,356 80	27,691 26	9,216 27	7,084 90		2,016 75	408 70					5,675	20,850	141,783 96
Total,	$2,292,724 69	833,888 41	886,025 98	1,457,204 65	2,659	48,901 32	6,001 72	40,165 13	22,925 62	69,536	131,568 72	43,545	489,753 39	1,204,737 59

LIABILITIES.

BRANCH.	Capital Stock paid in.	Notes in circulation.	Treasurer of U. States, &c.	Pension Ag't. of Indiana.	Branch Bank balances.	Other Bank balances.	Comm'rs. of Canal Fund.	State Bank of Indiana.	Comm'rs. of Sinking Fund.	School Fund.	Dividend due Stock holders.	Surplus Fund.	Individual depositors.	Profit since last dividend.
Indianapolis,	123,437 50	181,390	927,826 87	3,078 86	3,995 74	3,081 21			4,559	400	3,099 22	21,797 37	89.361 66	3,613 02
Lawrenceburgh,	205,000	175,395	413,198 50	419 80	299,698 23	112 06		157,984 50	3,575	400	2,860 50	14,652 21	42,013 79	2,876 06
Richmond,	160,000	207,880	150,000	1,519 63	91,482 55	2,025 67			3,575	400	3,134 08	11,954 37	52,819 92	3,147 29
Madison,	202,996 88	260,155	347,602 83		61,988 78	15,964 62			3,575	400	2,825	27,112 37	50,086 93	5,762 81
New Albany,	141,968 75	157,805	428,561 48	1,035 12	1,108 05	30,786 89			3,250	400	2,838 39	8,999 70	24,322 69	3,417 59
Evansville,	130,953 14	132,795		921 72	58,373 04	846 43			2,965	400	2,543 14	4,862 83	28,113 44	2,030 25
Vincennes,	139,718 75	200,700		481 99	37,350 12	837 69			2,925	400	2.649 99	4,755 75	39,620 05	2,355 42
Bedford,	139,000	178,180		272 49	35,924 97				3,250	400	2,719 97	6,987 07	3,736 42	1,327 82
Terre Haute,	120,078 13	187,270			47,948 72	8,646 36			3,575	400	3,014 23	9,008 09	47,003 76	2,075 14
Lafayette.	132,375 24	189,615		1,108 47	68,057 91	4,219 71			3,575	400	3,360 92	11,764 82	28,358 80	1,923 27
Fort Wayne,	86,953 12	99,110			126,271 79	346 44	27,253 87		2,500	200	1,300	7,417 98	26,265 70	1,474 74
Total.	$1,585,481 51	1,970,595	2,267,489 68	8,868 08	832,199 90	66,867 08	27,253 87	157,984 50	37,324	4,200	30.345 44	129,312 56	431,703 16	30,003 44

OFFICERS, AND THEIR COMPENSATION—AND RENT.

STATE BANK.

Samuel Merrill, President,	$1200
James M. Ray, Cashier,	1000
Rent,	100

BRANCHES.

INDIANAPOLIS.

Hervey Bates, President,	$300
Bethuel F. Morris, Cashier,	1400
Thomas H. Sharpe, Teller,	1000
Rent,	125

LAWRENCEBURGH.

Omer Tousey, President,	$300
Enoch D. John, Cashier,	1200
W. P. Chappell, Teller,	1000
C. Stevenson, Book Keeper,	500

RICHMOND.

Achilles Williams, President,	$350
Elijah Coffin, Cashier,	1200
Noah Leeds, Clerk,	600
C. F. Coffin, Assistant Clerk,	200

MADISON.

James F. D. Lanier, President,	$1000
John Sering, Cashier,	1400

NEW ALBANY.

Mason C. Fitch, President,	$300
James R. Shields, Cashier,	1000
B. T. Thornton, Clerk.	500

EVANSVILLE.

John Mitchell, President,	
John Douglas, Cashier,	$1200
Rent,	150

VINCENNES.

David S. Bonner, President,	
John Ross, Cashier,	$1000
G. W. Rathbone, Clerk,	400
Rent,	150

(Note.—The Vincennes State of the Bank is to Dec. 10, 1836.)

BEDFORD.

William McLane, President,	$200
Daniel R. Dunihue, Cashier,	800
John Brown, Clerk,	500

TERRE HAUTE.

Demas Deming, President,	$400
A. B. Fontaine, Cashier,	1000
Thomas Jennings, Clerk,	400
William Mars, Porter,	200

LAFAYETTE.

John Taylor, President,	
James White, Cashier,	$1000
Benjamin Henkle, Clerk,	600
Rent,	300

FORT WAYNE.

Allen Hamilton, President,	
Hugh McCulloch, Cashier,	$1000
J. Hobble, Teller,	650
Rent,	140

JAMES M. RAY, Cashier.

4,200	00
129,312	56
431,703	16
30,003	44

H. R.

REPORT

OF THE

STATE BOARD OF INTERNAL IMPROVEMENTS.

Read, and referred to the Committee on Canals and Internal Improvements, and 1000 copies ordered to be printed.

Office of the Board of Internal Improvements,
December 17, 1836.

Hon. Caleb B. Smith, *Speaker H. R.*

Sir: In compliance with the requirements of the 13th Section of the Act to provide for a general system of Internal Improvements, I herewith transmit to you the first Annual Report of the State Board of Internal Improvements, with accompanying documents, which you will please to lay before the House of Representatives.

Respectfully, your obedient servant,
D. H. MAXWELL,
Pres't S. B. I. I.

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REPORT.

To the Senate and House of Representatives
of the General Assembly of Indiana:

The State Board of Internal Improvement as required by law, submits the following Report:

The members of the Board, in compliance with a notice from the Executive, met at Indianapolis on the 7th of March last, and organized by the appointment of David H. Maxwell, President, and James Morrison, Secretary. Among the important considerations which first claimed their attention, was the policy to be adopted and pursued in the commencement of the public works; and upon this point they came to the conclusion, to put such portions of them under contract, as, in their opinion, would be the soonest productive to the state, and at distances so remote, as not to interfere with one another, in the price of provisions and labor; and further, that the same, when completed, should be useful and available works, in case war, or some other contingency should arise to suspend further operations; judging from our own experience and that of other states, that foreign labor as well as foreign capital, must, in a great measure be relied on. In pursuance of this policy, the Board ordered to be put under contract as follows:

The White Water canal between Lawrenceburg and the feeder dam, next above Brookville.

Twenty two miles of the Madison and Lafayette Rail-road, commencing at Madison.

The heavy work on the Wabash and Erie canal, between the work now under contract near Georgetown, and Lafayette; and the entire portion of said canal between Wild cat and Lafayette.

The Cross-cut canal from Terre Haute to the head of Eel river feeder.

The Central canal between the dry fork of Pigeon creek and the town of Evansville.

The Central canal from the feeder next above Indianapolis, to the bluffs of White river below said town.

The New Albany and Vincennes McAdamized Turnpike road, from New Albany to Paoli, so far as to have the same bridged and graded.

Twenty miles of the Jeffersonville and Crawfordsville road, and the Wabash and Erie canal east of Fort Wayne to the Ohio line: the two last conditionally.

The canal line from Lawrenceburgh to Brookville; the Rail-road from Madison to the vicinity of Vernon; the McAdamized road from New Albany to Paoli; and the canal line from Evansville to the upper feeder on Big Pigeon, are strictly within the rule of the Board above alluded to, and will be useful works of themselves, so soon as they shall have been completed.

At the first view it may appear, that the lines put under contract on the Cross-cut canal, and at Indianapolis, are exceptions to the principle. in commencing the public works, and the Board will therefore invite your attention to the reasons which have governed their decisions.

The canal line from Evansville to Terre Haute, from the physical formation of the country, forms one great natural division in our works which, when completed, will be amongst the most profitable portions of it; but it is so situated on account of the supply of water, that it can yield but little revenue in any of its parts, until the whole division of about 100 miles in length shall be completed. The places are so remote, as not to clash in the economical prosecution of the works, and it was thought that the division would be soonest completed, by commencing simultaneously at the extremes.

An immense commerce must float upon this line in the exportation of the staple commodities of the Wabash, through which, they can be taken to an early market, and in the returns from the eastern cities and the south, which will have a safe and prompt conveyance to the interior through the same channel. At present, as is well known, it is frequently late in the season, sometimes as late as the month of June, before the surplus of that fertile region can find an outlet—much to the discouragement of enterprise and the injury of the agricultural interest. The division of canal work at Indianapolis, was considered by the Board as predicated upon strong claims. They believe, that from the great trade of Indianapolis, both for exportation and demand, it will yield as much revenue as an equal portion of canal in any other part of the state; and, as an additional reason of no less importance, by taking in the feeder to supply the line to Port Royal, at a small increase of cost to the State, all the surplus water of White river over the ordinary demand of the canal, can be discharged at Indianapolis. The water power incident to public works, must be some years in operation before the business of a country is fully extended to the accomodations which it never fails to afford, but when the mutual advantages are brought to bear upon the community, it will multiply the receipts of tolls on our canals and rail-roads, and conduce much to the general value of the property of the country. It is also well worthy of notice, that a canal from Indianapolis to the Wabash and Erie canal, can be completed in about the same time that the connection of the Rail-road from that point to Madison will require, and probably but little short of the time, when the Maumee division of the

Wabash and Erie canal in Ohio will be completed; and by this chain of improvements, a communication can be effected between Lake Erie and the Ohio river, within a period of four or five years. The importance of this connection, through the centre of the state, for the purpose of tolls, the fact of its giving the Wabash and Erie canal access to the eastern cities, by way of the Pennsylvania public works, and the influence which the commencement of this division of works should and must have, in inducing the state of Ohio to proceed with the Maumee division, are among the important considerations, which, in this particular, influenced the minds of the Board. The extension of the Wabash and Erie canal, from Georgetown south to Lafayette, and from Fort Wayne east to the state line, independent of other reasons, is so obviously necessary, to render available the parts already completed, and under contract, that we presume it needs no comment to be duly appreciated.

After disposing of the subject of the work to be put under contract, the next consideration was the superintendence of it. So far as that fell under the special charge of the Board; and in the first place, the following disposition was made of the members of the Board: The President was appointed the Acting Commissioner on the Jeffersonville and Crawfordsville road; Mr. Woodburn on the Madison and Lafayette Rail-road; Mr. Clendenin on the New Albany and Vincennes McAdamized road; Mr. Long on the White Water canal; Mr. Hall on the southern division of the Central canal; Mr. Blake on the Cross-cut canal; Mr. Johnson on the Wabash and Erie canal from Georgetown to Lafayettte; Mr. Lewis on the Wabash and Erie canal from Huntington to the state line, and on the Erie and Michigan canal; and Mr. Burr on the middle division of the Central canal at Indianapolis, and also on the Wabash and Erie canal between Huntington and Georgetown. It is here proper to remark, that since this arrangement, Mr. Hall has withdrawn from the Board, and Mr. Clark been appointed in his place, to whom, the duties of the former gentleman have been assigned. That portion of the superintendence which was to devolve upon the Engineer department, was deemed of vital importance to the success of the works. To have allowed each Acting Commissioner the employment of an independent corps of Engineers, to conduct the operations on his line separately, would have led to the most disasterous consequences. It would have caused a difference in the mode of accountability for the disbursments made, a spirit of rivalry, indulging itself in the expenditure of large sums of money in matters more costly than useful, an eagerness to push forward particular lines independently, without due regard to the interest of the whole, and thereby placing too much work under contract; besides, the division in opinion necessarily growing out of such a state of things, bidding defiance to that union and harmony in the design and style of the public works, so essential to their economy and usefulness. To avoid these objections, it was deemed advisable to appoint a Principal Engineer on Canals, and one on Roads and Rail-ways, for the superintendence of these works respectively, requiring them to procure and assign to each acting commissioner, a resident Engineer, to prepare the plans for the different locations and structures on the several lines, give the necessary orders to the residents, ard receive their returns, and keep the Board fully advised of all their proceedings. Upon this subject, the Board will further observe, that in the system of public works in this state, there is a minute connection and dependence, which render necessary, harmony throughout, and this is the crisis to insure such a consummation, as the preliminary surveys are very far from being complete, and the permanent locations not made.

The place of principal Engineer on canals was tendered to, and accepted by, Mr. Jesse L. Williams, whose superior qualifications have been made known to the public, through a career of usefulness to the state; and measures were immediately taken to procure an Engineer for the other department. Mr. Williams and Mr. Clendenin were instructed to visit the eastern states for that purpose, but their mission proved unsuccessful, in consequence of their having been limited by the Board to an annual salary of $2,500, and from the necessity of the case, the President of the Board, was then authorized to employ a principal Engineer on Roads and Rail ways, upon the best possible terms. Mr. Henry M. Pettit was finally employed at a salary of $3,000 exclusive of contingencies, and from the manner in which he has been recommended to us, and the reputation he has acquired from his experience in public works, the state has a sufficient guaranty, that the duties confided to him, are in safe and competent hands.

The resident Engineers finally assigned to the various lines, are as follows: Stearns Fisher, to that part of the Wabash and Erie canal extending from the state line to Lafountain's creek; L. B. Wilson, from Lafountain's creek to Georgetown; Anderson Davis, from Georgetown to Lafayette; Simpson Torbert, to the White Water canal; T. A. Morris, to the Indianapolis line; C. G. Voorhies, to the Evansville line; William J. Ball, to the Cross-cut canal; and Solomon Holman, to the Fall creek survey, and the preliminary examinations on the Erie and Michigan canal; R. H. Fauntleroy, to the Jeffersonville and Crawfordsville road; E. M. Beckwith, to the Madison and Lafayette Rail-road; and John Frazier, to the New Albany and Vincennes McAdamized road. From the great number of public works recently commenced in the several states of the Union, much difficulty was also experienced in obtaining the number of resident and assistant Engineers required by our increased opeations, and, as an unavoidable consequence, the surveys have not been carried on with the rapidity which was wished, nor to the extent which the law required, an important question was to be settled in relation to the Jeffersonville and Crawfordsville road, and the Board felt the necessity of having the advice and opinion of some person of great practical experience, to lead them to a decision; but not having a principal Engineer on roads and rail-ways, or the prospect of getting one before the season for field duties had too far elapsed, the acting commissioner on this route, was induced to employ Mr. R. H. Fauntleroy, to make the survey, or at least so much of it embracing the most difficult portion, as his time, up to the first of October, would permit. This duty has been executed by him as far as practicable, with zeal, industry and ability, but it was found impossible, within the time, to complete the survey and examinations throughout the line. His report, laid before the Board by the Acting commissioner, leaves little or no doubt of the practicability of having a rail-road on the route, either as to the physical difficulties to be overcome or the cost of its construction within reasonable limits; and they feel confident that any ultimate decision of the Board, must be in favor of that character of improvement; but as the survey was incomplete, and at the time the report was made, a Principal Engineer on roads and rail-ways had been employed, the subject was submitted to him, for at least a cursory examination. To have pronounced, as a Board, upon its absolute practicability, without a thorough examination, might have exposed them to the charge of acting rashly, on one of the most important questions entrusted to them, and left the public mind unsettled as to the usefulness and practicability of the contemplated work. As soon as the Principal Engineer on roads shall report to the President of the Board that a rail-road is practicable, he is instructed by the Board, without further orders, to put 20 miles of the same forthwith under contract. Another important question to be settled, was, the proper point of intersection of the Cross-cut, with the Central canal; to ascertain whether the line of the former shall remain as now located by Mr. Davis, or be extended along the west side of Eel river to Black creek. The Acting Commissioner on that line, continued his party in the field up to the 13th of November, and the Board are well satisfied, that his compliance with the law in this particular, has only been deferred because it was impossible for them to comply, without inexcusably neglecting that portion of his line which he was imperiously requested to put under contract. In prosecuting the surveys for a canal from Fort Wayne to Michigan, the Commisioner, Mr. Lewis, has spared no pains in his explanations of that region. Early in the season, the surveys were commenced under the immediate charge of Mr. S. Holman, a canal Engineer of much ability; but the route which he first examined being as ordered on the direct line from St. Joseph's to Michigan city, and presenting so many obstacles to be overcome, without passing the canal 5 or 6 miles through the Territory of Michigan, it was deemed advisable to employ an Engineer who had practical knowledge of the construction of rail-roads, with a view of having examinations made for that mode of improvement. Gen. Wm. B. Mitchell, who has had much experience as an Engineer, both on rail-roads and canals, was charged with this survey, but before he could commence operations, Mr. Holman, in the mean time, examined the district of country south of the direct line first examined by him, and reported it altogether practicable to have a canal on the latter route, in which opinion, Mr. Mitchell upon examination fully concurred, and recommended the canal, in preference to a rail-road. This latter route lies considerably south of the line first mentioned, is well supplied with water and admits of the construction of a canal at a moderate expense. In one part of it, there is a considerable deflexion from the direct line, and it becomes circuitous, but upon the whole, this circumstance is not considered objectionable, as the public interest will be fully indemnified by the facilities it will afford, of being connected with the Illinois canal, and possibly, at some future period, with the Wabash and Erie canal, by a work down the valley of the Tippecanoe river. The importance of this route in forming a connection between Lake Erie and Lake Michigan, will be readily perceived. The great amount of trade it will command, in the lumber, iron, &c. of the northern Lakes; its probable and very cheap connection with the Illinois canal, and the prospect of its commanding the rich trade of the Illinois valley, are considerations, which conspire to make it one of the most interesting works of this state; and the route should be commenced and carried on with as much rapidity as a due regard to economy will justify.

The Fall creek route on the Central canal, has recently been examined and surveyed by Mr. Holman, the object of which, was to compare the cost of the route, with the one pursuing the immediate valley of White river, which was surveyed last year by Mr. Gooding, hoping to find it a more cheaper and also a safer route, a d in the event of its practicability, to determine the propriety of carrying the Centarl canal through Pendletor, and thereby render the means of transportation easy to the valuable stone quarries in its neighborhood. The difficulties of obtaining a sufficient supply of water, and of passing the canal north of Pendleton to Andersontown, form serious objections to this much desired plan. The Engineer after the most thorough investigations, to which his attention had been particularly directed, could devise no other plan, nor find any other route for the canal line between Pendleton and Andersontown, than that of passing it through the ground and on the side of the large reservoir origininally located for the supply of water for the Pipe creek summit; and in constructing the canal at this point, a bank of 25 feet in height, for several miles in length, must be raised to confine the water of the reservoir from the canal. The great pressure of water on a bank of that height, and its peculiar liability to break after the spring floods have subsided, draining the reservoir when it could not again be seasonably filled, and interrupting the navigation of the long length of canal line north of the reservoir, for months at a time, involved so much hazard, as to render the expediency of adopting this plan and route a doubtful matter.

The river route is well supplied with water, and the construction of the Canal in its valley, creates a great amount of water power, and it would be much more secure than a Canal by the side of the reservoir, and in case of accident, would be less liable to the tedious interruption of commerce; for if breaches should at any time occur, as soon as repaired, the Canal will be ready for use. The cost of construction in the valley of the river, is estimated at $108,185 42 cheaper than the Fall Creek route, although the latter is 8 miles 45 chains shorter than the former. It is justly remarked by the Engineer that the construction of a Canal down the valley of Fall Creek, will lessen the amount of water power to the country. Its size renders it cheaply improved, and available for mill purposes at ordinary cost. The adoption of this route will necessarily destroy a large amount of property already invested in mills, &c. which will have to be indemnified by the state, and at the same time, from the necessity of taking in feeders at short distances from the Creek, the quantity of water passing the locks on the Canal, will not be sufficient to propel machinery, and the privileges for that purpose afforded by the stream, will be lost to that section of the state.

The short time which has elapsed since the route was surveyed, has prevented the Principal Engineer on canals, from giving it a personal examination, and, although, from the information now before the Board, they would be inclined to prefer the river route, yet it is so desirable to pass the canal by the stone quarries, and save nearly nine miles in distance, that they will reserve the decision of preference between the two routes, until other examinations shall be made, with the hope that some plan may be devised, in passing the reservoir, that will be free from such fatal objections.

As Fall creek was known to be insufficient for the supply of water for the route, its practicability depended upon the capacity of the country for the construction of reservoirs, to render available the water which falls in the Spring floods, and the surveys and explorations of the Engineer of that section of country, in relation to the subject, have been extensive, and he has collected such a mass of Topographical knowledge, as will be of great use in determining the practicability of another important question, a canal communication between the White Water and Central Canals.

The report of the principal Engineer on Canals accompanied by the reports of Messrs. Mitchell and Holman, the latter particularly relating to the Fall Creek route, is herewith submitted; and the Legislature is particularly referred to the report of the prin ipal Engineer, as a document of great interest and value, upon the subject of our Canals generally, and the surveys and locations actually made.

In compliance with the order of the Board heretofore mentioned, portions of the public work have been permanently located and put under contract, and the length, cost of location and superintendence, amount paid for construction, estimated cost at contract prices, &c. of each, will be found detailed in a tabular statement hereto annexed. In the cost of location, in some instances, is included the pay and emoluments of all the officers, and all the contingencies on each line up to the first of this month, and in some cases, as it will be perceived, a greater number of miles has been located than is stated there to be put under contract. On all the lines, the recent locations have varied from the original surveys more or less; and in some instances the changes have been attended with an immence saving to the state. On the 30 miles of the White Water Canal, the cost of the work at contract prices has been reduced from the original estimate on the same, $28,585. On 14½ miles of the main line of the Cross-cut Canal, embraced in the contracts made on the 15th November last, the saving by a change of location simply is $50,166, and on the southern division of the Central Canal at Evansville of 32 miles, by a change of route and comparison of present cost at contract prices with the original estimates on the same, there is a saving of $204,674 00. The contracts on the public works generally have been taken at an average advance of about 4 per cent. on the estimates recently made by the Engineers at the time of the several lettings.

All the minutia relating to the operations and disbursements on the different lines are by a standing rule of the Board, reported to them by the Acting Commissioner on each line, and copies of their reports or any of them will be promptly furnished the Legislature whenever they may be required.

The work done on the new lines, must be necessarily limited in amount, in consequence of the short time which has elapsed since the contracts were taken, but the lines have all been commenced with spirit, are generally well supplied with hands, and a large amount of work will be done on them in grubbing, clearing, excavating heavy work, and in procuring timber during the winter.

The present year's operations on the Wabash and Erie Canal, have been carried on with some degree of rapidity. From Huntington to Lafontain's Creek, a distance of thirty-five miles, only $27,000 worth of work is left unfinished, and this is distributed on several locks which can be completed in a few weeks in the Spring, and which have been delayed in consequence of the unlooked for failure of stone quarries, to supply the necessary quantity of stone. But for this disappointment, this part of the line would have been filled with water as soon as it was anticipated, when the last year's report was made. On the division from Lafountain's Creek to Georgetown, 21 miles long, the work is more than half done. This line was let in September, 1835, and with ordinary exertions will be finished by the first of September next, and within the time specified for that purpose in the contracts. The failure of the stone quarries, and the advanced price of provisions and labor, since the work was taken, have caused the contractors to labor under discouraging circumstances, and subjected them to severe losses; but they have persevered with praiseworthy exertions, until their engagements are nearly completed.

On the Wabash and Erie Canal, from Fort Wayne to the mouth of Tippecanoe river, a distance of 98 miles, there is now completed at least 85 miles of canal, and if hereafter there should be no difficulty in getting labor, this original work will soon be finished, and the new works, at the same time, vigorously forwarded. In relation to the labor necessarily wanted, the Board are constrained to say, that they fear much embarrassment, for although contractors may be found very willing to engage in the public work, it is very evident, that unless the labor of the country can be increased considerably above the present supply, entering into future contracts, to some extent, will turn out an idle formality.

In obedience to the law on that subject, the Board have made exertions to procure by purchase the necessary ground at the several locks and dams for the use of the water power, but they have to state that, excepting in a few instances, their efforts have proved unavailing. The owners of the ground, in most cases, either refuse to sell upon any terms, or demand a price so exorbitant, as to forbid the expectation of an arrangement under existing laws. The Board are satisfied, from past experience, that without some modification of the law, the water power created by our canals at the public expense, must remain to a great extent, unemployed, by which the State will be deprived of one source of revenue, and the country of the benefits which the use of this power would confer. In the commencement of an enterprise of such magnitude as that in which the State has embarked, the necessity of husbanding all her resources, and availing herself of every source of income, must be evident. The Board would therefore respectfully suggest the propriety of extending the provisions of the law on that subject, so that in cases where the ground required for the use of the water power on the canals, and for the necessary depots and workshops on the rail-roads, cannot be purchased at a reasonable price, the agents of the State may have authority to appropriate such ground to public use, leaving the value thereof to be determined by a Board of Appraisors, upon just and equitable principles.

Another subject, connected in its effects with their public duties, the Board beg leave to suggest. They have reason to fear that as soon as our public works are under successful progress. numerous establishments will be opened for the sale of ardent spirits in their vicinity, where they are most to be dreaded, and that will be, where the greatest number of laborers are employed. To say nothing of the demolalizing tendency of such establishments, under ordinary circumstances, they become particularly obnoxious in the immediate vicinity of any great public works. It has been found by experience, that the present checks which the law imposes are inadequate to arrest their progress, and if permitted along our public works, it is believed they will be a source of endless quarrels and riots, attended in some instances with the risk of life to citizens, as well as be the means of weakening the physical force of the laborers employed. The Board, therefore, respectfully suggest the propriety of the passage of a law, upon the subject of retailing spirits or other intoxicating liquors, within three miles of any of our public works, imposing such restrictions as the wisdom of the Legislature may prescribe.

The $50,000 appropriation for the improvement of the navigation of the Wabash river from Vincennes to its mouth, remain untouched, the Board deeming it advisable during the past season, to wait for the results of pending experiments between the same points, previously authorized by this State and Illinois; and whether the same proved successful or not, in either event, to benefit by them. They felt an unwillingness to molest, in any way, the public agents already engaged in that important duty, and a desire to avail themselves of every means of information, so that when a plan of operations was finally adopted, their fellow citizens might be assured that their long deferred hope upon the subject should at length be realized. After it was supposed the work for the season had terminated in that quarter, Messrs. Johnson and Blake, accompanied by the principal Engineer on canals, were directed to proceed to the place, and make a full personal examination. Accordingly these gentlemen repaired to the Grand Rapids, accompanied by Mr. Gardner, the agent of this State, who very cheerfully tendered his assistance, and would have extended their visit still further down the river, but unfortunately, the water was too high to enable them to inspect either the obstructions or the work to advantage.

The Board have the satisfaction to state, however, that Edward Smith, Esq. of Mount Carmel, and at present a member of the Legislature of Illinois, had previously made a very minute survey of all the obstructions between the Little Rock Rapid and the mouth of the Wabash; that he very obligingly furnished all the information in his power, rode with the Commissioners and Principal Engineer while making a personal examination as far as practicable, and submitted his maps, which have been carefully copied, and are now on file in this office. Information enough has been collected to satisfy the Board, that the most serious obstruction to the navigation of the river is at the Grand Rapids, and hence, that the improvements should *begin at that point*;—that the fall at that point, and at the adjoining rapids, is so great, as to forbid the idea of removing the difficulty by excavating a channel through the rock, or by wing dams and sluices, as has been proposed; and that no available improvement can be effected without the introduction of locks; but whether the improvement shall be by dams and locks, creating slack water, or by an independent canal with locks, is a question which cannot be determined without further examination, and having entire estimates prepared. The Board beg leave further to observe upon this subject, that they have learned from the most indubitable sources, that Illinois is as anxious as Indiana to have these obstructions to navigation removed, or efficiently overcome; and that she will cheerfully consent to enter upon a mutual guardianship over this important interest, investing alike in the necessary expenditure, and sharing alike in the profits which must finally accrue from the works. In some instances, it may be found expedient to establish locks on the Illinois side, and in others on the Indiana side of the river; and as neither can give to the other jurisdiction over the soil, the terms of joint contract, investment and benefit, cannot be well settled and secured, without a compact formally entered into between the two States; and, therefore, as the Legislature of Illinois is now in session, the passage of a law, appointing an agent to whom this trust shall be confided, is most respectfully suggested. In relation to the Wabash, a peculiar solicitude is felt by all the members of this Board. It seems as if this river was intended by nature, in a great degree, to subserve the general wants of the State, running as it does, diagonally through it from the north east to the south west. For 20 years past, the improvement of its navigation has been ringing in the ears of the people, and the expectants of popular favor have never failed to be most fruitful in their promises; and now, as the last hope, it is expected that the representatives of the people, and the humble agents of these representatives, the members of this Board, will dispel the mists which has been hanging over this important interest, by realizing to them some of those substantial benefits, which have been so long promised.

A precise statement of the accounts of the Board cannot now be presented. They embrace so many items, covered by triplicate vouchers, all of which, have to undergo a minute examination, that the Board have found it impracticable to have a full statement made out in time to accompany this report. In a few days this statement will be laid before the Legislature, showing the receipts and disbursements on account of all and each of the public works, iucluding the sales of Canal lands.

The loans contracted by the Fund Commissioners will probably be sufficient for the next year's operations; and in regard to the future, the Board will trespass upon the liberal feelings of the Legislature, by intruding a few remarks. The unexampled prosperity of the world for a long period of peace in Europe and America, has increased, in a great degree, the amount of all business operations, and the price of every article which is bought and sold. This great extension of business, in manufactures and commercial operations, and in the construction of rail-roads and canals, is not confined to any State of the Union, or any one country in Europe, but it is general, and it has multiplied to such a degree, that the currency of the world has not kept pace with its demand, and the rate of interest has accordingly increased with it. There is, therefore, so great a demand at present for money, for ordinary business transactions, both in Europe and the United States, that it is hardly probable the times, for effecting loans, will become more auspicious, unless this state of general prosperity, from some unexpected contingency, should receive a severe check. As then, under such a state of circumstances, it is probable that the rates of interest will have to be increased, to enable us to obtain more loans, should the same be negotiated as heretofore from year to year, would it not be good policy to authorize the Commissioners to negotiate at once, for a considerable portion of the loan now authorized by law, in addition to present engagements? The interest now paid on permanent deposite, is 5 per cent., and this rate is more likely to be increased than diminished; and if the amount borrowed, or a portion of it, be deposited on interest in our banks, at the same time giving them authority to discount upon it, when deposited, for a year, for the accommodation of our own citizens, such measures might, in the end, have the effect of obtaining funds at a less interest than to borrow from year to year, render more economical the cost of the public works, and place them in a situation not to be interrupted by any derangement of business, funds, or currency in the commercial world. It would, moreover, supply a sound currency to the increased demands of the people of the State for business purposes, prevent fluctuations in the price of property, and by the wealth it would induce, place our banks and people in a condition, by the time the loans should be

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needed, to supply to a great extent, the amount desired. If, in addition to this, it should be the pleasure of the Legislature to invest the surplus revenue apportioned to this State by law of Congress, and apply the proceeds in payment of the interest on the Internal Improvement loans, and the policy of the General Government, in this particular, should be continued, it is believed, that the means derived from these sources, might be sufficient to pay the interest on all the loans which our public works will require, until the works themselves become profitable, and supersede the necessity, with a view of sustaining them, of imposing any heavy additional tax upon the people. In making these latter remarks, the Board feel as if they were treading on ground which might not be considered as properly their own, but animated by a desire to see the present prominent policy of the State triumphantly sustained, they could not forbear submitting to the Legislature a few suggestions touching it, which might give rise in their minds to full and better views.

D. H. MAXWELL,
D. BURR,
SAMUEL LEWIS,
J. B. JOHNSON,
JOHN WOODBURN,
ELISHA LONG,
THOMAS H. BLAKE,
AMOS CLARK,
JOHN G. CLENDENIN.

December 17th, 1836.

TABULAR STATEMENT

Of works put under contract by the State Board of Internal Improvement, in 1836.

Works under contract.	Length of line located.		Length of line put under contract.		Entire cost of locating and surveying, superintendence, &c. to 1st December, 1836.		Cost per mile of liue under contract.		Total cost of line under contract at contract prices, adding per ct. for superintendence.		Total amount paid for construction.	
	miles.	chains	miles.	chains	Dolls.	Cts.	Dolls.	Cts.	Dolls.	Cts.	Dolls.	Cts.
Southern Division of Central Canal, -	32		20		2,858	39	11,274	15	225,483			
Wabash and Erie Canal, between Georgetown and Lafayette, - -	35				3,509				402,162		10,018	00
N. Albany & Vincennes McAdamized Road,	41	40	41	40	4,262	34½	5,010	15	207,921	27		
White Water Canal, - -	50		30	64	4,645	97	15,425		474,361			
Madison and Lafayette Rail Road, -	44		22		5,634	08			609,633	78	7,785	95
Indianapolis Division of Central Canal,	23	20	21	64	3,808	40	14,259	20	309,208		1,171	
Cross-cut Canal, - - -	20	64	14	20	3,146	16			246,755			
								Total,	$2,475,524	05		

[B.]

Report of the Engineer on Canals.

To the Hon. the Board of Internal Improvement:

GENTLEMEN—The undersigned, in submitting a report of the operations of the Engineer Department for the past year on the canals of this State over which he was required to "bestow a general superintendance," proposes to confine himself to a mere outline of these operations, under the belief that the resident Engineers who have heen in immediate charge on the several lines, have already reported the necessary detail.

The general superintendence of so many lines of improvement, situated so remotely from each other, and presenting, as these do, a variety of important and difficult questions, imposes a responsibility and an amount of labor, greater perhaps than is usually placed upon one person, and which might have deterred me from accepting the station had it not been for the belief that, if unable to accomplish every duty so promptly as desired, I might in view of these difficulties, safely rely upon the indulgence of the Board.

The Board having determined the extent and the particular portions of the several canal lines to be put under contract, as well as the time of letting, my first duty appeared to be to aid the acting commissioners in organizing the requisite locating parties, and to direct such preliminary examinations in each case as might be necessary to secure the best possible location of the lines, previous to the time fixed for the lettings.

At the opening of the spring it was only practicable, with the number of engineers then in the service of the State, to organize two locating parties, after assigning the necessary force to the superintendence of the work already under contract on the Wabash and Erie canal, and as the Board in arranging the order of the several lettings had given precedence in point of time to those on the Wabash and Erie Canal, and on the White-water Canal, it became necessary in order to carry out the views of the Board, and have the lines in readiness, that the two parties should be detailed to these lines.

After putting in motion all the force at our command, measures were taken in pursuance of an order of the Board to increase the Engineer corps to the extent required by the enlarged field of operation. At the suggestion of the Board, and acting in their behalf, the undersigned in the months of April and May, visited the States of Ohio, Pennsylvania and New York, in company with a member of the Board, for the purpose of engaging the services of some additional Engineers of experience and standing in their profession, to act as resident Engineers on the several lines, but owing to the great extent of public works in progress and in contemplation in these States, and the consequent demand for professional services of this kind, the object of the journey could not be accomplished to the full extent. I succeeded however, in obtaining the services of Simpson Torbert, Esq., of Pennsylvania, who had been for several years engaged on the public works of that State, and whose services here, we have reason to believe, will be highly valuable to the State.

Under these circumstances, it appeared evident that the State, in the superintendence of her various lines must, under the Board and the Principal Engineers, depend mainly upon young men of her own training; and it is fortunate for the State that the construction of the Wabash and Erie canal, which has been in progress for four years, together with the extended exploring and locating service, have furnished a practical school, in which a number of young gentlemen have acquired the requisite experience to qualify them for more responsible stations on the new lines, which removes in a great measure, the necessity of seeking these officers in other States.

The extensive operations of the past year, have necessarily placed great labor upon the several resident Engineers, and the zeal and ability manifested by these gentlemen in the discharge of their duties, merit the confidence of the Board, and promise much future usefulness to the State.

WABASH AND ERIE CANAL.

That portion of the Wabash and Erie Canal which had been finished previous to last year's report, has sustained no injury worth mentioning, by the floods of the season. The navigation has been extended across the St. Mary's river to Fort Wayne, and boats have made regular trips during the season, from that place to Huntington.

It was expected that the Board would have had the satisfaction in their report of this year's operations, of announcing the extension of navigation westwardly to Lafountain's creek, a distance from Huntington of thirty-five miles; but this has been prevented solely by extraordinary difficulties in procuring stone suitable for the locks. It is greatly to be regretted that the Wabash valley, abounding as it does with cliffs and quarries of lime stone, should afford so little that will answer for the important mechanical structures appertaining to the canal. This peculiarity in the stone formation of that region, has been the source of much disappointment and delay in the prosecution of the work. Many quarries which appeared favorable on the face, have terminated after being opened, in an ill-shapen mass which could not be quarried, while others which furnished stone of suitable size and shape, were of necessity condemned for the want of sufficient hardness and durability to withstand the operations of the frost. In consequence of this uncertainty in the character of the materials, changes of plan have frequently become necessary after the locks have been placed under contract.

The embankment at the St. Josephs Bluff, owing to the scarcity of stone, was protected from the abrasion of the stream with brush in the construction of the work, but with the view of substituting stone after the completion of the canal, as will be seen by reference to former reports. It is proper here to remark in reference to this, that the time has now arrived when it becomes necessary to renew the protection with stone, as the brush is so far decayed that it will not much longer afford the required protection. As the canal is now navigable to the stone region, that material can be procured without great cost.

In my last report to the Board of Canal Commissioners, three important dams were reported as completed; one across the St. Josephs and two across the Wabash, and I have now the satisfaction to state that these structures continue in a safe condition, and answer fully the purposes for which they were built. It is to be regretted that the successive floods which have recently occurred in the Wabash river, at the season of the year when we were accustomed to expect the lowest water have prevented the completion of dam No. 3, near the mouth of the Mississinewa. The cribs which form the body of the dam had been completed, and a portion of them filled and covered, when the last rise in the river put a stop to further operations. The resident Engineer has been advised to have the cribs entirely filled with stone, so soon as the flood subsides, and in this condition it is hoped the structure may stand without any considerable injury, until low water of next season, when it can be finished according to the original plan.

As the Board had directed the line between Georgetown and Lafayette to be put under contract in the early part of the season, it became the duty of the Engineers to commence the final location as early as other engagements would permit. This location and the preliminary surveys and comparative estimates necessary thereto were commenced by a corps of Engineers under the control of the acting Commissioner.

The great expense of constructing a canal along the Falling Spring Bluff, suggested the plan of passing this obstruction by means of slack water formed by a dam across the Wabash, at the lower end, and a towing path along the bluff. But af after a full examination of the question, this plan was abandoned principally an account of the unfavorable situation for building a dam, and the more expensive but safer mode of constructing a perfect canal was recommended. The base of the hill at this point, for the height of about 40 feet, is composed of slate rock which is overlaid with earth. In the location of the canal it is proposed to place the centre line so as to require the excavation of a portion of the slate sufficient in quantity to form one-forth or one third of the embankment, which by being placed wholly on the outer part of the bank, will, it is supposed, protect it from the current. The centre and inner portion of the bank will be formed of the earth which is found on the top of the slate, by which a water-tight bank will be secured.

Agreeably to the decision of the Board on that question, the canal has been located so as to cross the Wabash in the pool of a dam.

There are some circumstances connected with the crossing of the river that may be considered peculiar to this location, which certainly remove in some degree the objections usually urged against this mode of crossing streams. The dam, which will be 590 feet long and 12 feet high, from low water, and will raise the water 8 feet at the point of crossing, will be built on an excellent rock foundation at Rock Ripple, four and a half miles below the crossing, and the pool formed by this dam will be occupied as the canal, with a towingpath on the bank for about three miles. From the point where the canal leaves the river, which is about one and a half miles above the dam, it will follow for some distance a bayou, which, in most places, is already deep enough for the canal, and varies in width from 50 to 90 feet. At the head of this bayou a guard-lock will be built, from which guard-banks will be extended on each side to the high ground, for the purpose of controlling the river floods. But to avoid the necessity of closing the guard-lock so frequently, which would cause some delay in navigation, it is proposed to raise the first lift-lock, situated two miles below, to an extra height, so that it will answer also as a guard-lock in ordinary floods. Upon the plan which has been adopted, the floods, during all moderate rises will flow into the canal and rest against the lift-lock, and the gates of the guard-lock need not be closed until the river rises to the height of four feet on the weir of the dam. Floods of greater rise than this must be kept out of the canal by closing the gates of the guard-lock, which will then be passed by boats as a common lift-lock.

The method to be adopted for passing the boat and horses across the pool presents a question of some importance. This might be accomplished in this case by a rope ferry, the horse being placed in a common ferry flat, and both the flat and canal boat propelled across the river by being attached to an endless rope, working around a drum or cylinder on each bank, which could be kept in motion by means of the water power derived from the lock on the north bank of the river. Or, a towing-path bridge may be built, on which the horse may cross without being detached from the boat—the boat to be secured from floating down stream, when the current is so strong as to require this precaution, by being attached to a roller car, so constructed that it will be secured firmly to the bridge at the same time that it may be drawn by the horse from one end to the other, as the boat passes across. The rope ferry, as above described, is now in use at the lower crossing of the Juniata, on the Pennsylvania canal, while the Susquehanna and numerous other streams are crossed by a towing-path bridge.

The towing-path bridge, besides allowing of greater despatch as well as safety in crossing, has another advantage from the fact that, without great additional cost, it could be made wide enough to answer also for the road travelling of the country, and if the state should see proper to collect tolls, might in time yield a revenue from this source equal to the interest on its cost.

The Board, in determining the plan of crossing the Wabash river, virtually settled the mode of crossing Deer creek also, inasmuch as the level of the Wabash Dam is too low to admit of any other structure for crossing Deer creek than a dam with a towing-path bridge.

That stream is therefore crossed in the pool of a dam to be located immediately at the mouth of the creek, and to be built about ten feet high, and 170 feet long. The great length of the dam being about twice the ordinary width of the channel, will prevent, in some degree, the fluctuations of the stream, and remove any serious difficulty in crossing during high water. The situation is very unfavorable for building a dam, and great care will be required in its construction.

Wild Cat creek is also crossed by means of a dam and towing-path bridge. The great extent of low ground on the east side of the creek, which, for an aqeduct level, would have required a high embankment, together with the fact that no stone could be obtained for the abutments and piers, seemed to preclude the idea of an aqueduct crossing. The dam will be 13 feet high from low water, and 170 feet long.

By the final location of this portion of the line, it will be perceived that ample feeders are received into the canal from the crossing of the Wabash, Deer creek and Wild Cat, which together with the surplus at the dams, will add greatly to the water power in that section of the state.

In discharge of that part of his duty which required him to act in conjunction with the proper officers of Ohio, should such joint action become necessary in adjusting the location of the canal at and near the state boundary, the undersigned, in April last had an interview at Columbus, Ohio, with the acting Commissioner and Engineer, in which they were apprised of the views and wishes of the Board, so far as understood, and of their readiness to share in the expense of any surveys which might be deemed necessary to establish the plan of the canal and the mode of supplying it with water. From the letter of Mr. Forrer, the principal Engineer, which is hereto appended and marked No. 1, it will be seen that the Board of Public Works of Ohio have determined to adopt what is termed the *high level*, at the state line, relying chiefly on reservoirs for the supply of the canal from thence to Defiance. It is to be presumed that such an arrangement will be made as will secure to this portion of the canal a sufficient and certain supply of water, though we have not yet been informed of the details of the plan, nor of the particular sites selected for reservoirs.

WHITE WATER CANAL.

Having understood it to be the wish of the Acting Commissioner on this line, that a survey and estimate should be made on the east side of the White Water, from Brookville to a point near Harrison, with a view to a comparison with the west side which had been followed by the former survey, measures were taken immediately after the adjournment of the Board, in March last, to accomplish this object.

The charge of this survey, under the direction of the Acting Commissioner, was confided to to Mr. William J. Ball, with such general instructions as a previous knowledge of the line enabled me to furnish. From the reports and estimates of Mr. Ball, it appeared that there would be a difference in cost of about the sum of $25,000 in favor of the *east side*, which difference, by subsequent improvements in the line has been increased to $40,000. The east side was also supposed to present the safer route for a canal, inasmuch as the bank will be less frequently exposed to the current of the stream. No hesitation was felt therefore, in recommending the adoption of the *east side.*

The surveys and examinations necessary to a proper final location of this line, and its preparation for contract were continued under the immediate direction of Mr. Torbert, resident Engineer.

An important question was presented at the commencement, as to the manner of crossing the East Fork, and of passing the town of Brookville, so as to afford to that place the proper facilities for business, without detriment to the public interest. Several plans of location were proposed at this point, and surveys and comparative estimates were made. The plan of crossing the East Fork in the pool of a dam, with the towing-path bridge, was finally recommended as combining the most advantages. By this arrangement the high and hazardous embankment necessary to an acqueduct crossing is avoided, and the pool formed by the dam in the channel of the stream enables canal boats to approach the eastern side of the town, while the main line passing along the valley of the West Fork, will extend the advantages of the canal also to the west side. This plan will cost less than that of an aqueduct by about the sum of $10,000. The dam across the East Fork will be 11 feet high from low water, and 230 feet long. The great length of the dam being twice the width of the channel will tend to prevent a very great rise, or a strong current in the stream during freshets.

In the first survey, the line was crossed from the east to the west side on an aqueduct at Mrs. Carr's, four miles below Harrison. In the subsequent survey made by Mr. Torbert, a line was run upon the plan of crossing by means of a dam and towing-path bridge, near Harrison. By instituting a comparison between these lines, it was found that the latter plan would be the cheaper one by the sum of $28,400, and would reduce the length of the line one mile. These advantages were deemed sufficient to give the preference to the upper crossing, notwithstanding the objections which might be urged to the plan of crossing by a dam, and its adoption was therefore recommended. The dam is located about half a mile below Harrison, at the place where the state line crosses the White Water, and will be built 11 feet high from low water, and 375 feet long. The pool of the dam will be occupied as the canal, with a towing-path on the west bank for the distance of 20 chains.

The conditions annexed to the assent of Ohio to the construction of this canal through her territory, required such a location in the vicinity of the state line as would furnish a supply of water for a branch canal to the City of Cincinnati, and afford reasonable facilities for its construction. This requirement has been regarded in the location. The dam by which the canal crosses the White Water is so situated that it will furnish an abundant supply of water for both canals. The proposed arrangement will not diminish the amount of water-power at

Lawrenceburgh, inasmuch as the stream is supposed to afford more water than can be passed through the canal after supplying the Cincinnati branch.

By the letter of Mr. Forrer before referred to, it will be seen that the assent to this location was given with the understanding that the right should be secured to Ohio, of locating and constructing the proposed branch for a short distance through our territory, if necessary to a proper junction of the two canals; and it will therefore be perceived that the obligation rests upon Indiana, of securing to Ohio this privilege. A proper intersection of the two canals will require the Cincinnati branch to be located through the territory of this state for the distance of 20 or 30 chains.

The greatest obstructions presented to the construction of a canal along the White Water valley are the bluffs or washed banks formed by the contact of the river with the hills which skirt its valley. The most difficult of these is McCarty's Bluff, about 3 miles below Brookville, where the river washes the base of the high land for nearly the distance of a mile, leaving no other mode of constructing a canal than by forming an embankment in the river and protecting it with stone from the abrasion of a rapid current. The great expense of constructing an independent canal through this narrow pass, induced me to recommend the adoption of slack-water, which will be formed by building a dam at the lower end of the bluff and cutting a towing path on the face of the hill. The pool formed by this dam will be occupied as the canal for a distance of one mile and ten chains and will vary in its depth from 12 to 16 feet. The great depth of the pool will tend to remove the difficulty arising from a deposite of sand which under different circumstances might be apprehended, while the greatly enlarged cross section of the stream will diminish the rapidity of the current in time of freshets. To guard against the difficulties which might arise from too near an approach to the dam, the canal has been so located that boats will pass from the pool into the guard lock about ten chains above the dam. From these favorable circumstances it is believed that the evils sometimes attendant upon this species of navigation, will be greatly mitigated in respect to this. The slack-water is estimated to cost $16,500 less than the separate canal. The dam will be 235 feet long and 14 feet high from low water.

It will be perceived that the location and plans of this canal are such as to secure to it an ample supply of water, not only for navigation but also for hydraulic purposes to any extent that the country may require.

From the basin in the East Fork at Brookville to the basin at Lawrenceburgh, there is a descent of 144 feet, which in the final location is overcome by 17 locks, distributed to suit the inclination of the valley.

Before determining the plan of these locks, further examinations were made in the adjoining country, with the hope of finding stone suitable for building cut-stone locks, but without success. The composite or combined lock was therefore recommended for this line as being the best substitute for a perfect cut-stone lock. The culverts, aqueducts, and dam abutments on this line, may be built of hammer-dressed masonry of a durable character.

In extending the examinations above Brookville, preparatory to future lettings, various plans have been examined and compared by the resident Engineer, and questions of importance have arisen as to the proper location, some of which have been submitted to me. The first of these is at the Franklin factory ridge, two miles above Brookville.

This ridge is a part of the high land jutting in from the east side and extending nearly across the valley, diminishing both in width and altitude as it approaches the river. In any location which can be adopted at this point the canal must be thrown considerably out of its proper direction. In the survey of 1834, the level was depressed just above the ridge for the purpose of receiving a feeder, which made it necessary to pass entirely around this obstruction; but in the survey of the past season it was found that by dispensing with the feeder at this point and approaching it with a high level the ridge might be crossed farther from the river, and a material saving effected both in distance and cost. Two routes have been surveyed and estimated by the resident Engineer, one crossing the ridge by an open cut at a point where it is 40 feet above the bottom of canal and three and a half chains wide; and the other passing through it at a point still farther from the river, by a tunnel 330 feet in length. The latter plan is thirty chains shorter, and is estimated to cost $6,500 more than the other. The ridge where the tunnel would be formed is composed of clay and loose stone, and is 80 feet above bottom of canal.

From the facts here presented, I should recommend the open cut, notwithstanding its greater length. The formation of tunnels, unless the material be solid rock, is an operation liable to many contingencies, which cannot be fully estimated at the commencement, and I am of opinion, that they should not be adopted, except in cases of strong necessity.

By adopting the open cut, a saving will have been effected over the former survey of 35 chains in distance, and about $8,000 in cost.

At the village of Milton, two lines have been examined, one upon the plan of passing the bluff at that point by means of slack water in the channel of the river for the distance of 32 chains, formed by a dam at the lower end of the bluffs 8½ feet high; and the other upon the plan of sustaining the level and passing through the eastern edge of the town, near the bank of the stream, cutting about 8 feet for the distance of 40 chains through the plain on which the town stands. By the plan first described, a feeder would be received into the canal without any extra cost, while upon the other plan the feeder, if one be required, at this point would be 35 chains long and would require a dam perhaps 2 feet in height. The upper or village route is three chains shorter, and including the expense of a feeder is estimated to cost $4,500 more than the slack-water plan. Should a feeder at this point be dispensed with, which is highly probable, the cost of the two routes would be about equal. In this case, as here presented, I should recommend the adoption of the upper or village route, as the advantages of the slack water do not appear sufficient to justify us in exposing the Canal to the hazards of a dam and to the current of the stream. Although slack water may frequently be resorted to with advantage as a means of passing difficult points, yet it should not generally be prefered to an independent Canal when these difficulties do not occur.

CENTRAL CANAL;

Indianapolis division.

In the final location of this line from the Broad Ripple to the Port Royal bluffs no material alteration from the original survey has been made. It was thought by some that the westerly bend in White River above the mouth of Fall Creek, could be cut off and a more direct line obtained from Broad Ripple to Indianapolis by running across to Fall Creek, and down that valley to the latter point, but upon examination with the level, the country between the two streams was found to be too high. The proposed deviation would have increased the cost at least $50,000.

In pursuing the White River valley, two expensive washed banks are encountered; one just above and the other below the Michigan road, the combined length of which requiring protection, is 64 chains. As stone in sufficient quantities cannot be procured, the greater portion of this embankment must be protected with brush which will secure the bank from injury, until stone can be obtained by the canal. After passing these difficulties a favorable and cheap location has been made through the alluvial bottom of White River, to the Bluffs.

From the Broad Ripple to the Bluffs, a distance of 24 miles, there is a descent in the canal of 70 feet, which is overcome by nine locks. As stone of an unquestionable quality could not be found within reasonable distance of this line, timber was recommended as the material for building them.

The principal stream crossed on this division is Fall Creek, which will require an aqueduct with three spans of 32 feet each, the abutments and peris of which as well as the trunk will, of necessity be built of timber. All streams of less magnitude are crossed by timber culverts. Whenever practicable, it is proposed to construct these smaller culverts in such manner that they will at all times be covered with water and thereby rendered durable.

At Port Royal bluffs the line has not yet been finally located. To avoid the expense of constructing a canal along the bluff it has been proposed to pass it by means of slack water formed in the river by a dam at the lower end of the bluff. As there was not sufficient time, previous to the date of the letting, to make the examinations necessary to settle this question, the acting commissioner suspended the letting of this bluff until the subject could be fully examined which will be done so soon as the weather will permit.

This division of the line will be supplied with water from White

River, which will be introduced by a dam 8 feet high and 295 feet in length, to be built at Broad Ripple eight and half miles above the seat of government, which being sufficiently elevated to command the Indianapolis plain, will create a valuable water power at that point, besides furnishing the necessary supply for the canal.

In pursuance of instructions from the Acting Commissioner a survey of the Fall Creek route from Andersontown to Indianapolis, has been made during the past season by Mr. Solomon Holman, whose report is herewith submitted and designated as No. 2.

CENTRAL CANAL.

Southern Division.

The duty of preparing other lines for contract the, letting of which had been advertised to take place previous to this, prevented me from visiting this line until the middle of July.

As the Board had directed a re-survey to be made from the Pigeon summit to the Ohio passing down the immediate valley of Pigeon Creek, with a view to a comparison with the former line which followed Blue-grass Creek, the first examinations were directed to this comparison. By a personal examination of the valley of Pigeon Creek from the Ohio River to the sources of the stream, I was enabled to form some conclusions in relation to the general principles which should govern the proposed comparative survey, which were communicated to Mr. Voorhies the Resident Engineer.

The valley of Pigeon is decidedly favorable to the construction of a canal. The "flats" or low bottoms are from one to two miles in width, presenting a very uniform inclination towards the Ohio of about two feet per mile, and the stream in winding its way through this valley seldom approaches so near to the adjoining high land as to prevent a favorable and cheap location of the canal. Excepting six or eight chains at Ditney bluff, the canal bank will no where require protection against the current, for the distance of thirty miles.

A survey and estimate of the line down the valley of Pigeon, was made by the resident Engineer, and after instituting a comparison between this line, and the former survey, he has reported that by adopting the Pigeon line, there will be a saving in cost of $284,892, and an increase of distance of about two miles. It is due to Mr. Cleveland, to say, that this examination of a line down the valley of Pigeon was suggested by him in his report of the original survey.

The Acting Commissioner having decided upon the adoption of the Pigeon line, the final location preparatory to placing it under contract, was commenced near the head of that stream. The southern termination having been fixed by law on the east side of Pigeon Creek, it was evidently proper to follow that side in the location in order to avoid the expense of crossing. A cursory examination was however made of the west side which produced a conviction that it was less favorabl than the east side, independent of the expense of crossing the stream

The principal streams which it becomes necessary to cross on this division are, Smith's fork and Big creek; the former of which will be passed by a stone arch of 22 feet chord, and the latter by a wooden aqueduct, supported by stone abutments; the level being too low to admit of an arch. There are other streams of minor importance, most of which are crossed by stone arches. Timber culverts have in no case been estimated on this line except in situations where they will be submerged and thereby preserved from decay.

From the summit level to the Evansville plain there is a descent of 51 feet, which is to be overcome by seven locks, all of which are located near the upper end of the line. At the distance of about 19 miles from the Ohio, the line is dropped to the Evansville level, and there is of course no lock within that distance of the termination.

The supply of water for this division of the canal in dry seasons, must be brought chiefly from the West fork of White river, agreeably to the original plan. Pigeon creek, though not a sufficient feeder in dry seasons, will furnish a supply during seven or eight months in the year, and by availing ourselves of this source, the demand upon White river, and consequently the current of the canal will be diminished during this period. A feeder from Pigeon may also be of service in filling the canal, with less delay after the occurrence of a breach, and as such casualties most frequently occur in the spring of the year, when the stream affords an abundance of water, the importance of this feeder must be apparent. In the location which has been adopted, two feeders are proposed, the first at Shannon's mill near the source of the stream, and the other at the head of the Evansville level, 19 miles from the Ohio. By the last mentioned feeder the surplus water of Pigeon may be introduced and conducted through the canal to its termination on the bank of the Ohio river, where it can be applied to machinery over a fall to low water of 56 feet, giving a water power, which will be of some profit to the state, as well as benefit to the country. It will be practicable, should the Board direct it, to provide a sufficient supply of water for the Pigeon line, during the whole year, independent of White river, by giving an additional height to the lower dam, so as to retain in a reservoir the surplus water of the spring season to be drawn out when needed.

At the time of placing this line under contract, so little could be ascertained in relation to the quality of the stone, or the extent of the quarries, that it was difficult as well for the engineer to determine the proper plan of building the locks, as for the bidders to form correct estimates of their cost. The acting commissioner therefore very properly determined on letting but two of the locks, and these situated some distance from each other. The operations of the contractors in procuring materials for these, will disclose the true character of the stone, and fully develope the resources of the country in building materials, and the remainder of the locks may be put under contract in the course of the next year, if desired, without the same liability of having to make changes in the contracts.

The sand-stone formation of the southwestern and western region of this state, seems generally to be imperfect in its character, liable to disintegrate by exposure to the weather, and though there may be some quarries suitable for building locks, yet I should advise that great caution be exercised in allowing it to be used. The limestone formation appears to be very durable, and wherever found in suitable strata, will make permanent locks, though the cost of dressing will be great. The locks which have been let on this line are to be built of cut stone masonry, faced with lime stone.

The location which has been made in the valley of Pigeon, will cut through a bed of coal, which may prove sufficiently extensive to be of value to the country.

It will be perceived that the examinations which have been made during the past season, were confined wholly to that portion of the line lying south of the Pigeon summit, leaving the particular level of this summit, as well as the many other important questions which may arise in the location of the line North of that point, open for future investigation.

The Board is aware that in the proper junction of the cross-cut and Central canals, and the location of the line thence to the south end of the Pigeon summit level, many questions of uncommon importance will be presented. The crossing of both forks of White river, as well as thePatoka, and the proper adjustment of the long level from the White river feeder to the Patoka valley, so as to equalize the deep cutting and the embankment, will present questions which will require much investigation, and it may not be improper to suggest the propriety of organizing an exploring and locating party for the purpose of making these examinations, to commence operations on this portion of the line at least twelve months previous to the time which may be fixed for placing any portion of it under contract.

It may be remarked in regard to all our lines of improvement, that true economy requires very extensive and critical surveys to be made before the plans and locations are established. An expenditure of one or two thousand dollars in preliminary examinations frequently saves ten times that amount in the construction of the work.

CROSS CUT CANAL.

Owing to pressing engagements and duties in other parts of the State, which could not be postponed, the examinations of this line were not commenced until the 10th of July. About that period the preliminary examinations and surveys, necessary to a final location, were commenced by Mr. Wm. J. Ball, the resident engineer, acting under the direction of the acting commissioner.

In commencing these surveys, it was thought proper in the first place to examine with great care, the summit ridge dividing the waters of Eel river from those of the Wabash in order to ascertain certainly whether a depression could not be found lower than the one through which the former line was run. A level was carried along the summit of the ridge, for several miles both north and south from the line, but without finding any point so low as that followed by the former survey.

Having thus determined the route of the canal at the summit an important question was presented in reference to the precise level upon which the canal should be constructed through the summit ridge. In ordinary cases it is desirable to avoid deep cuttings on account of the cost both of construction and repairs, yet in this case the object to be gained by depressing the level, was deemed sufficient to justify a cut of considerable magnitude. Not only is the length, and consequently the cost of the feeders diminished, but by every foot which the summit level is depressed, two feet of lockage is saved. Critical comparative estimates were made upon several different levels embracing both the feeder and main line, by which it was ascertained that the most economical arrangement would be that which would require 18 feet cutting at the highest point. This depth however continues but for a short distance and is reduced by a gradual descent to 6 feet in the distance of 80 chains at the east end, and in the distance of 40 chains at the west end. Through a portion of the summit cut, embracing about 60 chains of the deepest part, soft sandstone rock in thin strata is found at a level varying from 1 to 6 feet above bottom of canal. This rock it is supposed will not be difficult to excavate, and when it is recollected that the liability to slides, common to deep cutting, will be measurably removed thereby, its occurrence is not much to be regretted.

In extending the location eastward from the deep cut, the summit level is maintained to a point about one mile west of Eel river for the purpose of receiving a feeder from that stream. In progressing westward the level terminates immediately after passing the deep cut, making the whole length of the summit level 7 miles, 40 chains.

From the summit westwardly the line passes down a branch of Honey creek to the main valley of that stream, and thence along this valley towards Terre Haute. The total lockage from the summit to the proposed basin at Terre Haute is 61 feet, which is overcome by seven locks distributed to suit the inclination of the country. Both Main Honey creek and Little Honey creek are to be crossed on this part of the line, the former by an arch of 26 feet chord, and the latter of 15 feet chord, to be built of stone. Lost creek will probably require two arches of 16 feet chord.

Several sites were examined for the proposed feeder dam, amongst which that at Hoffman's was thought to combine the greatest advantages, and was therefore selected. The feeder to conduct the waters of Eel river from this dam will be 5 miles and 44 chains in length. The heavy embankment in and near the valley of Birch creek, which is crossed by the feeder will be the principal item of expense.

The dam will be raised to the height of 15½ feet above low water and will be 180 feet in length. No rock has been discovered in the bed of the river. A firm foundation can however be formed of brush and timber, which will be submerged and therefore rendered durable by a second dam, which will hereafter be built at Rawley's mill, 6 miles below, for the supply of the lower levels of the canal. By direction of the acting commissioner an important change has been made in the location at and near Terre Haute, by passing on the east side of the town and connecting with the Wabash and Erie Canal as surveyed by Dr. Whippo near Fort Harrison, thereby avoiding the high embankment along the margin of the Wabash river, which would be much exposed to injury from the floods.

The supply of water, which is the most important question connected with this canal, remains to be considered. The total length of line which must draw its supply from the summit level, including both the feeder and the main line from the mouth of feeder to Fort Harrison, will be about 27 miles. Some small portions of this line will expend less than the ordinary allowance of water, while the greater part of it will require the usual quantity. The line at and near the deep cut follows for some distance the very lowest ground to be found in that vicinity—the country on both sides inclining toward the canal. Under these circumstances the water of the country must naturally tend towards the canal, and there can be but little loss of water, except by evaporation, which is believed to form a small part of the expenditure common to canals.

The calculation of demand and supply for this line may be stated as follows:

Three miles of line at and near the summit cut will require say 25 cubic feet per minute per mile,	75	cubic feet.
Remaining 24 miles may require the usual allowance of 100 cubic feet per mile for leakage and evaporation,	2100	“ “
Lockage water for the passage of 50 boats per day, with locks of 6 feet lift,	562	“ “
Allowance for leakage through dam, say,	100	“ “
	3,137	cubic feet.

To meet this demand we have no other resource than Eel river, which by careful measurements taken at different times during the past summer, was found to discharge as follows, viz:

August 2d,	6,281	cubic feet per minute.
do 30th,	2,969	“ “
September 3d	2,639	“ “
do 4th (swollen by rain)	10,000	“ “

By reference to the date of these measurements it will be seen that they embrace the season of the greatest drouth. They show a deficiency of 498 cubic feet per minute for a period of 8 or 10 days during the greatest depression of the stream. The stream on the 3d Sept. was supposed by those acquainted with it to be at its lowest stage, yet it is safer to conclude that the deficiency in seasons of great drouth, will be continued for a greater number of days than is shewn by this statement.

Whatever deficiency there may be in the natural flow of the stream, can be very readily and cheaply provided for by raising the feeder dam and the guard banks connected with it two or three feet above the surface of water in the summit level, and by this means retaining a small portion of the surplus waters of the stream to be drawn out when its natural flow shall be found inadequate. The extent and sufficiency of our resources here may be seen by the following statement.

The dam will form a pool of about 12 miles in length, following the windings of the stream, which allowing the channel to average 2½ chains wide, will give an area in the bed of the stream alone, of . . .	240 acres.
To which may be added the overflowed ground at the mouth of Turkey Run and other small streams, and depressions, say, ...	100 acres.
Total area of pool, ...	340 acres.

Which supposing the dam to be raised two feet, will give 29,620,800 cubic feet of available water, equal to a constant supply of 514 cubic feet per minute for 40 days. And when it is recollected that this quantity may be increased fifty per cent if necessary, by raising the dam three feet, or one hundred per cent. by raising it four feet, the entire sufficiency of the supply of water must be apparent.

It is not proposed to give this additional height to the dam in its first erection, though it will be so constructed as to admit of it hereafter. The business of this canal for some time after its completion will not be so great as to require the whole amount of lockage water. It is possible too that the allowance for leakage and evaporation, is greater than will actually be expended, owing to the peculiar character of the line. Having ascertained the practicability of providing fully for any deficiency which may be found in the natural flow of the stream, there can be no risk in postponing the expenditure which this measure will require, until the necessity for it shall be indicated by actual experiment. The cost of giving two feet additional height to the dam, guard lock, and guard banks, is estimated at the sum of $7,500.

The line as located along the valley of Honey creek passes through a coal formation of some extent, which will doubtless become an article for transportation on the canal.

It was the desire of the acting commissioner that the experimental surveys should have been extended along the west side of Eel river so as to connect with the Central Canal at several different points between the mouth of that stream and the mouth of Black creek, but this was found impracticable for want of time. This omission is however, of less consequence inasmuch as the final location, so far as it has been made, is common to all the routes which may be proposed for uniting with the Central Canal. Whatever point may be selected for the junction with the Central Canal, the location across the summit must be the same; and as Eel river is the only durable stream found between the Wabash and White river, the feeder from that stream is also necessary to any location which may be adopted.

ERIE AND MICHIGAN CANAL.

At the commencement of this survey it was uncertain whether a canal or rail road would be adopted by the Board, and in procuring an Engineer to make the examination, I was therefore directed by the acting commissioner to employ some one who was practically acquainted with both modes of improvement. In the mean time Mr. Holman was directed, in pursuance of the views of the acting commissioner, to take such levels of the country between Fort Wayne and Lake Michigan as would be necessary to determine the practicability of a canal.

In the month of August, I was so fortunate, as to obtain the services of William B. Mitchell, Esq., civil Engineer, whose long experience on both canals and rail roads in Pennsylvania, rendered his services peculiarly valuable on this line. The late period of his engagement prevented Mr. Mitchell from completing the survey, but he can accomplish this during the early part of next season, if it be the wish of the Board. The reports of the survey so far as it has progressed, are herewith submitted and marked No. 3 and 4.

The duty of preparing other lines for contract placed it out of my power to visit this route at any time during the past season. Any suggestions which I may make will therefore be founded upon the reports of those who conducted the surveys.

In considering the question of practicability, the investigation may be confined to the Elkhart summit. If a sufficient supply of water can be provided for this, no doubt can exist as to the practicability of the remaining portion of the route.

It will be seen by Mr. Mitchell's report, which is herewith submitted, that, owing to frequent rains, while engaged on this summit, he was unable to guage the streams at their lowest stage, and that for this reason he does not speak with the strongest confidence of their minimum discharge. Under these circumstances, it may not be improper to subject the question of supply to a test, founded on a calculation of the drainage which may be collected from the country lying contiguous to the summit level, and if by this mode of computation a sufficiency of water be likewise found, the greater confidence will be felt in the practicability of the work.

To supply the demand upon this summit, the only streams available are the head branches of the Elkhart on the north, and of Cedar creek on the south side of the dividing ridge; the former of which, according to the report of Mr. Holman, hereto appended, drains an extent of country equal to 142 square miles, and the latter, an extent equal to 130 square miles, lying above and inclining towards the proposed summit level. Of these streams, the Elkhart is not only more durable but can be introduced with less length of feeder. Cedar creek is therefore only mentioned as a contingent resort, to be used in case other sources of supply prove inadequate.

The country at and near the summit level, as will be seen by the map, abounds with small lakes and marshes, and is reported by the Engineer as affording many favorable sites for the formation of reservoirs. Under these circumstances it is deemed practicable without great cost, to save and retain in reservoirs the whole of the surplus water of the streams, whenever they pass more than is required to supply the canal for the time being. The total drainage of the country may therefore, be relied upon as available for the supply of the canal.

At this stage of the investigation it becomes important to ascertain the amount of drainage which may safely be calculated to flow off from a given area of country. The aggregate depth of rain falling annually upon the earth's surface has been frequently ascertained by accurate guages, but to determine the quantity of water flowing from a given area, after supplying the evaporation from the soil and vegetation, is a question of greater difficulty, and one which has heretofore proved embarrassing to Engineers in calculations of this sort. Fortunately, however, this uncertainty has been in a great degree removed by the valuable experiments made during the year 1835 on the Chenango canal in the state of New York, (see New York canal documents.)

Mr. John B. Jervis the Principal Engineer on this canal, after measuring the extent of country which drained into the Madison Brook reservoir, amounting to 6,000 acres, caused the water passing from the reservoir to be accurately guaged in a sluice constructed for the purpose, during every day in the year, (Sundays excepted.) The aggregate depth of rain which fell during the year 1835, was also ascertained, by reference to a rain guage, kept in the immediate vicinity. By a computation based upon these facts, Mr. Jervis found that the annual drainage amounted to about two fifths of the aggregate fall of rain for the same period, equal to 14 inches in depth over the whole surface drained. And he expresses the belief that this experiment would not differ materially from the general average over a large district of country.

A similar experiment was made at the same time at the Eaton Brook reservoir, which showed a drainage somewhat greater, yet Mr. Jervis thinks the experiment at the point first named, from the character of the surface, most applicable to a large district of country.

Having ascertained the ratio of drainage to the fall of rain, it becomes necessary in the next place, to determine the aggregate annual depth of falling water. Numerous measurements have been made in different parts of the country, and during different years, which give results varying from 30 to 44 inches. Observations were made at the academy in the village of Hamilton, New York, by means of a rain guage, for five successive years, ending with 1831, which gave an average annual fall during this period of 38.35 inches. the greatest depth being 43.44, and the least 33.26 inches. (See New York canal documents.)

The experiments of Mr. Jervis in relation to the ratio of drainage, carry with them the evidence of great accuracy, and for all similar situations, in nearly the same latitude, may be received as conclusive. They are the more important to this investigation, from the fact that they were made in a latitude varying but one and a half degrees from that of the Elkhart summit. In calculations so important as this, which do not admit of perfect accuracy, it is prudent, however, to keep within the result of the experiments, and I therefore assume the drainage in the case under consideration, at one-third the fall of rain. Taking the minimum depth of falling water, likewise (33.26 inches) for the purpose of greater safety, we shall have 11 inches as the depth of drainage.

The area of the country drained by the branches of the Elkhart, above the level of the summit, after deducting the supposed surface of the necessary reservoirs, will be equal to 140 square miles, the drainage of which, 11 inches in depth over the whole surface, will give a content of water equal to	3,577,728,000 cubic feet.
From which deduct 10 per cent. for loss from reservoir by evaporation and leakage, and there will remain applicable to the supply of the canal, . . .	3,219,955,200 cubic feet.

The quantity of water required for the supply of the leakage and evaporation of a canal in ordinary cases has usually been estimated at 100 feet per minute for each mile. There is much authority for adopting this allowance as a general rule. The Engineers of the states of New York and Ohio, after having witnessed the practical operation of the canals of those states since their completion, still consider it proper in the location of all their new routes, to provide this quantity, as may be seen by reference to their reports.

In the case under consideration, the Engineer supposes that three-fourths of this quantity would be sufficient on account of the peculiar character of the country, and the numerous springs and rivulets that would be received into the canal. I presume this opinion is well founded, yet for the purpose of greater safety, I propose in this calculution to provide for an expenditure of 100 cubic feet per minute.

The amount of water required for lockage depends upon the amount of trade and the lift of the locks. Each boat in passing through a division of canal, on which there is a summit, must, (except when the boats alternate) draw from the summit level two locks full of water, and the quantity of water thus drawn from the division depends of course upon the lift of the locks at the two extremes of the division. In the present case, the last lock at the south end of the division, where it unites with the Wabash and Erie Canal, as well as the lock at the other end, where a second feeder is received from the Elkhart, may be only 6 feet lift. It cannot be supposed that more than fifty boats per day would pass this summit, including those going in both directions for the first five or six years after its completion, and by the time the increased business of the canal would require an increased quantity of lockage water, it is supposed that this would be provided for in the diminished expenditure for leakage. By this calculation the necessary allowance for lockage water will be a quantity sufficient to fill a lock of 6 feet lift 100 times in each 24 hours, which (with locks 90 feet long and 15 feet wide) is equal to a constant supply of 562.50 cubic feet per minute.

Estimating from these data the quantity of water required on the summit level during each year may be stated as follows, viz:

Allowance for leakage and evaporation on 45½ miles of canal and feeder at the rate of 100 cubic feet per minute per mile, for 365 days, ...	2,391,480,000 cubic feet.
Lockage water for the passage of 50 boats per day with locks of 6 feet lift, for 275 days, which will embrace the business season, ...	222,750,000 cubic feet.
Total yearly demand, . .	2,614,230,000 cubic feet.
Which being deducted from the annual supply as before stated will leave a surplus of	605,725,200 cubic feet.

In this calculation of demand and supply, I have pursued a method somewhat different from that followed by Mr. Mitchell, and the result, it will be seen, corroborates the opinion advanced by him, that the canal may be supplied without resort to Cedar creek. It however admonishes us of the necessity, in adjusting the plans upon this summit, of retaining in reservoirs the whole drainage of the country.

As the levels taken on different parts of the route have not been connected, the lockage cannot now be stated with perfect accuracy. The Elkhart summit level has been ascertained to be 147 feet above the summit level of the Wabash and Erie Canal, with which this canal is designed to connect. The elevation of Lake Michigan has not been ascertained, but assuming it to be 20 feet above Lake Erie, the lockage north of the Elkhart summit will be 308 feet, which added to 147 feet, the descent to the Wabash and Erie Canal, will give 455 feet as the total lockage.

The general direction of the line, according to the present plans of location, may be seen by reference to the accompanying maps, for which the Board are indebted to Mr. Mitchell.

All of which is respectfully submitted,

J. L. WILLIAMS,

Prin. Eng. Ind. Canals.

Indianapolis, Dec. 13, 1836.

No. 1.

DAYTON, SEPT. 8, 1836.

DEAR SIR—

I have your two last, and have but a moment's time before stepping into the stage to say that there will be no objection on the part of the state of Ohio, to the location of your White Water Canal, as you propose, provided the right of joining is fully secured to her by Indiana, within that state, if deemed necessary.

I have lately examined the question of high and low levels at the state line, (Wabash and Erie Canal) have also conversed with Mr. Dodge, ully, and have now less doubt than ever (indeed have no doubt) that the high level can be more certainly supplied with water by means of your feeder and reservoirs, than the low level can by means of feeders from the Maumee river alone. I run a line on a level with the feeder from the Bull rapids, from which I ascertain that we can command the high plain 9 miles direct, and 13½ miles by the line of the canal, below the state line. Increase of length in that distance 50 per cent. To continue in the valley to Defiance would increase the length to be supplied from the Maumee river 100 per cent.—in either case *more* than the increase of water below Fort Wayne. The Board of public works have determined on taking the high level.

Yours, &c.,
SAM'L. FORRER.

J. L. WILLIAMS,
Prin. Eng. Ind. Canals.

No. 2.

TO JESSE L. WILLIAMS,
Principal Engineer.

Sir—The undersigned respectfully begs leave to report; That in obedience to instructions from D. Burr, Acting Commissioner, Central Canal, he has surveyed and prepared estimates, "of a canal route from the northern termination of the reservoir between Andersontown and Pendleton, down the valley of Fall creek to the Central canal above or at Indianapolis, as the same may be found best adapted to promote the public interest."

As the first object in view was to ascertain the practicability of procuring a sufficient supply of water on the summit level, examinations were made of the country in the vicinity of the summit, for suitable reservoir sites to contain the excess required over the minimum flow of the streams available for the supply of that level, which resulted in a conviction that the country afforded no sites for that purpose, susceptible of improvement at any reasonable expense. A site, however, for a small reservoir was selected in a wet prairie about one and a half miles south-east of Pendleton, and a feeder from Fall creek to the reservoir, and from thence to the main line near Pendleton, was surveyed, and estimates made of its cost together with that of the reservoir. As this plan of supplying the demand was found to be very expensive, and its adoption of doubtful propriety, examinations were made with a view of enlarging the Andersontown reservoir, which resulted in finding it practicable at an expense so much less than the other plan, as to render it decidedly preferable. Besides being less expensive, this plan possesses the advantage of being less complicated, and as no additional feeders *to* or *from* it will be needed, a less amount of water will be required.

A portion of the supply for the Pipe creek summit level, is drawn from an artificial reservoir, and since the length of this summit is increased by the Fall creek route, the artificial supply must be increased accordingly. This increased length is seven miles, after deducting one mile and 75 chains for the line descending south from Pipe creek summit, which will be vacated by the adoption of the Fall creek route, and for which an artificial supply had been provided by Mr. Gooding, as may be seen by reference to his report of last year. By reference to the same report, it will be seen that the time, during which it is supposed that White river will be inadequate to the demand, is 120 days, and since it is required to draw a greater amount of water from this stream the *time* of this inadequacy will be increased.

The additional demand then, on the summit level, is equal to 7 miles at 100 c. ft. per mile per minute for say, 150 days—151,200,000 cubic feet.

Add amount displaced by the canal from reservoir of last year	20,000,000 cubic feet
Which makes total *additional* demand on *summit level*	171,200,000 cubic feet
From this sum may be taken the surplus remaining in the reservoir of last year, after supplying demand on Treaty creek line	36,183,000 cubic feet
And there remains the amount for which a supply must be provided	135,017,000 cubic feet

Provision is made in the accompanying estimate for an enlargement of the Andersontown reservoir to contain an addition to its former content, after deducting 18 inches from the increased surface for evaporation, of 224,002,000 cubic feet. From which deduct the above demand, and there remains a surplus of 88,985,000 cubic feet, applicable to the supply of a further demand.

During the progress of the survey, Fall creek was considerably swolen by the fall rains, consequently there were no means of ascertaining the minimum discharge at the several points where feeders are taken from it, but by previous measurement, it was ascertained that at Pendleton, the discharge, at nearly a minimum stage of the stream, was 800, and at the same time, near Indianapolis, some 30 miles below, it was 1,800 cubic feet per minute, from which it is inferred that the minimum discharge at the second feeder, 7 miles below Pendleton, is about 1000 cubic feet. This it is believed, is the least discharge of a stream along which a canal of this size may be constructed, and rely upon its natural minimum flow for an ample supply of water; and as the stream is taken in at Pendleton the discharge must be considerably diminished at all the feeders below, and at the second feeder it is perhaps reduced one half of the discharge at Pendleton, or 400 feet which will be the deficiency at that place. Upon the same principle there will also be a small deficiency at the third feeder.

It is impossible to determine precisely the extent of this deficiency, unless the minimum flow of the stream were known at the points where it is proposed to take in the several feeders, but it is believed to be safe to assume the deficiency on 20 miles at fifty cubic feet per mile per minute for 60 days. Then 50 x 20 x 60 x 24 x 60 = 86,400,000 cubic feet, which taken from the surplus remaining in the reservoir, after supplying the summit, and there still remains a small surplus of 2,585,000 cubic feet.

It is believed that the above provision is ample, but should further examinations prove it otherwise, the reservoir can be easily enlarged so as to hold the required amount.

The line of canal as surveyed, commences at the north end of the Andersontown reservoir, but as the feeder from this point to the canal at Andersontown will become a part of this line of canal, its length and cost of construction are included in the estimates.

The reservoir here, with the enlargement necessary to supply the Fall creek route, is five miles long, and occupies the low ground thro' which the canal must pass in crossing the ridge between White river and Fall creek. The most feasible plan of passing the reservoir seems to be to construct the canal along the side of it, and build a bank between it and the canal to keep the water in the reservoir from flowing into it. The excavation to form this part of the canal will equal a cut of 15 feet, extending the whole length of the reservoir. With the earth obtained from this excavation a bank will be built about twenty feet from the canal, which will be raised 25 feet above bottom of canal, 5 feet above top water in the reservoir, and from 12 to 16 feet high above the ground upon which it is built. The object of placing the bank at some distance from the canal, is to prevent slips, which will be occasioned by the great pressure of the water in the reservoir from filling the canal, and at the same time to obtain a place to form a towing path less elevated above the canal, than if it were formed on top of this bank. The water in the reservoir, when filled, will stand 20 feet above the bottom of canal. To lessen, as much as possible, the liability to breaches in this bank, a row of 2 inch plank is estimated, to be placed in the centre of the bank, the whole length of the reservoir, and to extend two feet below the natural surface of the earth, and one foot above top water line in the reservoir.

The line from the reservoir to the first feeder from Fall creek, is located on favorable ground, but is rendered expensive in consequence of the great amount of lockage. Excellent buildiag stone may be easily procured at a very short distance from the site of these locks, which circumstance will render their construction comparatively cheap.

The distance from Andersontown to this feeder is 9 miles 29 chains.

Cost, including enlargement of reservoir,	$273,449 32
Per mile	29,206 86

Total number of lift-locks 5—Lockage 44 feet.

This part of the line is the most expensive, and also the most objectionable on account of its great liability to accident. The great cost is owing to the fact that the ground proper for the canal, is occupied by the reservoir. This circumstance also renders the reservoir much less secure; for instead of one mile of artificial bank, (as will be the case if the reservoir be adapted to the line down White river, there are 6 miles on this which increases its liability to accidents in the proportion of 6 to 1; and moreover the south bank of the reservoir, as now located, is 38 feet high instead of 32 which is the height of the reservoir bank for the other line.

A line passing through Pendleton was surveyed, diverging from the line on the north side of Fall creek near the south end of the reservoir, and crossing the creek a few chains above the Falls, and thence through a slight depression in the south part of the town to the creek a short distance above the feeder-dam, where it crosses in the pool and enters the line on the north side through a guard lock which is estimated of cut stone. The other crossing is effected on a level 15 feet below the summit, and 8 feet above low water in the creek, by means of an aqueduct with two reaches of 46 feet each. The abutments and pier are estimated of cut stone, and the trunk of wood. This line is 9 chains shorter, and costs $14,319 49 more than the line keeping the north side of the creek, and is from the diverging point to the point of intersection, two miles and eleven chains long. In the event of the Fall creek route being adopted, I would suggest the propriety of an examination with a view of extending this comparison, by continuing the line on the south side, as far down as the mouth of Lick creek, and crossing just obove the junction in the pool of a feeder-dam to be built a short distance below.

By making the canal on the south side as far down as Lick creek, two short bluffs on the opposite side would be avoided, and also Foster's branch—to cross which a culvert of 14 feet chord is required. The distance will perhaps be about the same as on the other side; but the saving in cost may be found sufficient to warrant the crossing and re-crossing of Fall creek.

The great number of bluffs, or high washed banks on the south side of the creek, below Lick creek, clearly indicate the north side as the most favorable for the canal as far down as Negley's tavern, seven miles above Indianapolis, where the bluffs disappear on both sides.

Feeder Dam No. 1, is located about ¼ of a mile below Gray's mills, and will be 100 feet long, and will be raised 4½ feet above low water. This, and all the dams below are based on a sand and gravel foundation, and built in the usual manner, with a foundation of trees and brush 3 or 4 feet deep, (4 at this dam) with the top even with the surface of low water; upon which is built a crib filled with stone and covered with 6 inch plank sloping from the top both ways in the manner of a house roof. The abutments of the dam are estimated of hammer-dressed masonry.

The line about one and a half miles below the feeder, to avoid a circuitous line and single embankment on a low and marshy bottom, is located through a slight depression, and a cut of 7 feet is encountered for a short distance; and soon after leaving it, crosses Foster's Branch on a stone arch of 14 feet chord. The surface of the stream at the crossing is but 3 feet below bottom of canal, which circumstance would, in most cases, determine a different plan of crossing, but as the stream has a rapid descent, this objection can, in a great measure be removed, by sinking the channel below the canal, so that the water may flow freely off from the culvert; and the estimate accordingly includes this expense. Nearly a mile below Foster's Branch, is Lock No. 7, and just below it the line passes a high clay bluff, removed however far enough from the creek to make room for the canal, without requiring protection; but as the intervening narrow bottom is quite low, a considerable amount of embankment is required. For a distance of three miles below th's bluff the line passes over a wide alluvial bottom, presenting a favorable slope for locating a cheap canal; at the end of which the creek bottom for nearly a mile is quite narrow, and cut up with wide bayous, and in one place, for a distance of 14 chains, the creek washes the base of a clay bluff, where the canal must be formed by building a bank in the bed of the creek. As stone cannot be procured in sufficient quantities, brush protection is estimated here, and at all the bluffs on the line, except at one of 6 chains in length just below dam No. 2. About a half mile below this bluff, and just below the mouth of Lick creek, the second feeder from Fall creek is introduced.

Feeder Dam No. 2 is 100 feet long, 3 feet high, and will be built in the same manner as dam No. 1, except that the abutments will be made of hewn timber, built in the form of cribs, and filled with gravel. Stone for filling the cribs of the dam may be procured from a quarry of lime stone in the creek bank, a few chains distant. The stone in this quarry are of an inferior quality, and will not answer for mason-work.

It may be proper to remark here, that no stone were discovered below Pendleton, that will answer for builing stone, except near Tharp's Creek, where it is thought a sufficient quantity may be procured, suitable for hammer-dressed masonry, to build the culvert for this stream.

The low level required for receiving the feeder, makes it necessary to encounter cutting for some distance below, greater than is required to form the towing path, and consequently the line is expensive, where with a level a few feet higher the cheapest line can be obtained. Soon after this cutting runs out, Tharp's Creek is crossed on a stone arch of 14 feet chord, and immediately after is Lock No. 11, which is dropped here to save embankment across the creek valley. After passing about a mile and a half over a gently sloping and alluvial bottom, the line strikes a high clay bluff, washed at its base by the creek. About half way down this bluff the line enters a depression leading back of the high ground which forms the bluff, and again enters the creek bottom a short distance back of Germantown. By taking this depression a shorter and safer line is obtained than by following the immediate valley of the creek—no great saving, however, is made in the cost, as some deep cutting is encountered, for a short distance, in entering the depression. From the lower end of this depression, to within a half a mile of Dam No. 3, the line is located through the creek bottom near the base of the hill, and it is in general quite cheap; but occasionally the bottom is so low as to require a high single embankment to keep above high water mark. At the termination of this bottom a short clay bluff is encountered, to pass which the towing-path will be built entirely in the bed of the creek, and the earth to form it will be taken from the opposite side, so as to form at the same time a new channel for the creek. Immediately below this bluff is Dam No. 3, which is 130 feet long, and of the same height of Dam No. 2, and will be built in the same manner.

The line from this dam, after passing one mile over a wide alluvial bottom, strikes a clay and gravel bluff, at which are estimated 4½ chains of brush protection, and immediately below crosses Mud creek, on a wooden aqueduct, with one reach of 28 feet. For a distance of one mile below Mud creek, the bottom is very low and narrow, requiring a heavy single embankment to keep out the high water of the creek, and at two places the creek approaches so near to the bluff as to require 6 chains of protection at each. Between these bluffs (the last on the line), and Lock No. 16, which is about three-fourths of a mile below, a cheap line is obtained at the foot of a hill bounding a wide alluvial bottom. This is the last lock in the valley of Fall creek on the line to Broad Ripple—the level being kept up from this point, in order to cross the ridge between this stream and White river. One mile below this lock (at station No. 824), is a point from which two lines to the White river route were run, one intersecting at Broad Ripple, and the other at Indianapolis,

The line to Broad Ripple, for a distance of two miles below the diverging point, is of the cheapest character; but on the next mile, from the necessity of keeping up the level, some heavy single embankment is required on the side of a steep hill, along which the line is located until the top is attained with a cut of 8 feet. Here the line takes a direction across the ridge for Broad Ripple, passing near Esqr. Bacon's, and soon after locks down to the level of the line down White river, and intersects it a few chains below the feeder-dam.

Whole length of line from Andersontown to Broad Ripple, 34 miles 75 chains.

Total cost - - - - -	$520,668 11
Per mile - - -	14,902 85

Number of Lift-Locks 19—Lockage 156 feet,
Road Bridges 9,
Aqueducts 1, (for Mud creek,)
Wood Culverts 12, (9 of 6, 2 of 4, and 1 of 12 ft. chord,)
Stone do 2, (of 14 feet chord each,)
Aggregate length of Bluff 51 chains.

The line intersecting at Indianapolis, a short distance from the diverging point, croses the head of a depression, through which the other line passes on its way to Broad Ripple, and thence follows down the valley of the creek to a point a short distance below Negley's tavern, and just below a series of high clay bluffs on the south side, extending near two miles above this point, though occasionally receding a short distance from the creek channel. Here the level is dropped 15 feet, and the line crosses in the pool of a dam to be built about 15 chains below.

This dam will be 150 feet long, 6 feet high above low water, and built in the same manner as the feeder-dams above. For the first two miles below the crossing, the line follows the low creek bottom, crossing two small streams by means of rectangular wooden culverts. At the end of these two miles the line leaves the creek, and takes a direction for Indianapolis, over a wide and uniform plane, on which a line of the cheapest character is obtained.

Whole length of line from Andersontown to Indiaanapolis 39 m. 53 ch.

Total cost of do	$553,832 23
Per mile	13,953 62

Number of Lift-Locks 20—Lockage 163 feet,

Guard-Locks	1
Road Bridges	9
Aqueducts	1 (for Mud creek,)
Wooden Culverts	15 (11 of 6, 2 of 4 and 2 of 12 ft. chord,)
Stone do	2 (14 feet chord each.)

As the object of this survey was to make a comparison between this and the route previously located down the valley White river, the same rules by which the quantitiesof work were estimated on that line, have been observed on this; similar structures have been estimated of materials of equal durability; the same prices have been affixed to work of the same kind, and plans best calculated to show a true comparison have been adopted throughout.

This survey, and that down White river, present three different locations or plans of canal from Andersontown to Indianapolis, the length and cost of each are as follows:

Whole length of *White River route* from Andersontown to intersection at Indianapalis, as by previous survey, 48 miles 18 chains.

Total cost of do. to *Broad Ripple* $445,646 81.

The whole length of *Fall Creek route* from Andersontown *by way of Broad Ripple* to Indianapolis, 44 miles 73 chains.

Total cost of do. to *Broad Ripple* $520,668 11.

Whole length of *Fall Creek route* from Andersontown to Indianapolis, keeping the valley of Fall creek, 39 miles 53 chains.

Total cost of do. $553,832 23.

It may be proper to remark here, with reference to the supply of the Fall creek route, that barely a sufficient amount of water has been provided, which has been made up, in part, by receiving Fall creek as often as is thought necessary to secure all the water it can furnish. In consequence of this diversion of the waters of Fall creek, the water power which is now, and that which may be hereafter brought into use, will in a great measure be destroyed. And inasmuch as the water which will pass around the several locks, to supply this line below, will be enough only for a few miles of canal, its amount will be insufficient to propel machinery to any great extent.

A map and profile of the route is now being made and will be completed in a few days.

Respectfully submitted, S. HOLMAN, *Engineer.*
Indianapolis, Dec. 10, 1836.

ABSTRACT OF ESTIMATES—Line to Indianapolis.

Sec.	*Length.*	*Dolls.*	*Cts*	*Description.*
	123	9,767	98	Feeder from Anderson reservoir—plain,
		32,553	33	Cost of enlarging Anderson reservoir,
1	45	22,576	84	Heavy single bank and deep excavat'n—passing res.
2	81	39,224	34	do do do do
3	78	31,282	01	do do do do
4	81	30,893	29	do do do do
5	78	33,706	25	do do do do
6	80	16,471	60	do do do leaves reservoir,
7	81	6,096	77	Single bank and road Bridge,
8	81	40,134	69	4 cut stone Locks—total lift 35 feet,
9	90	18,081	37	F'd'r-dam & head-gates—R. br'ge 1 do do 9 "
10	81	4,696	22	Plain,
11	81	6,602	85	Foster's branch—stone arch 14 feet,
12	81	15,263	93	1 do 8 "
13	81	4,125	19	1 wood culvert 6 ft. chord,
14	81	23,579	27	2 do do 4 & 6 ft. do. 2 do 14 "
15	78	6,455	52	Road-bridge 13½ chs. protection,
16	81	20,926	99	Feeder-dam and head-gates 6 chs. do 1 do 8 "
17	81	7,112	26	1 wood cul. 4 feet chord,
18	78	11,462	22	1 stone do 14 " do R'd Br'ge 1 wood l'k 8 "
19	81	3,698	45	1 wood do 6 " do do.
20	81	13,883	43	15 chs. pro.
21	81	19,437	48	1 do do 6 " do R'd Br'dge 2 do 17 "
22	81	4,310	87	Plain,
23	78	5,781	27	1 do do 6 " 4 chs. protect'n,
24	78	3,794	02	2 wood culverts, 6 feet chord each,
25	81	9,923	68	8 chs. pro.—1 wood lock 7 ft.
26	81	10,873	98	Feeder-dam and head-gates 1 " 7 "
27	78	11,865	35	Mud creek aqueduct 10½ chains protection,
28	90	13,397	02	2 wood cul. 6 & 12 ft. ch'd 6 chs. do.
29	72	3,989	29	1 do 6 " " Road bridge,
30	81	9,268	15	(Diverg. point at upper end this sec.) 1 w'd l'k 7 "
31	81	11,467	75	Dam and guard-lock 1 do 8 "
32	78	5,623	32	2 wood cul. 6 & 12 ft. chord—Road bridge,
33	81	6,516	06	1 do 6 " do do.
34	81	5,681	54	Plain,
35	78	8,472	52	1 wood lock 10 "
36	81	3,762	50	Plain,
37	90	3,633	75	do
38	99	17,449	88	2 do 17 "
		553,832	23	Total cost.

Total length 39 miles 53 chains.—Cost per mile $13,953 62.

ABSTRACT of Estimates—Line from diverging point to Broad Ripple.

Sec.	*Length.*	*Dolls.*	*Cts.*	*Description.*
2	300	481,946	76	Line above diverging point,
30	78	2,545	77	Plain,
31	75	4,417	53	Road bridge
32	75	5,811	62	Plain,
33	72	4,330	42	Road bridge,
34	72	21,616	01	4 wood locks, total lift 35 feet,
		520,668	11	Total cost from Andersontown to Broad Ripple.

Total length 34 miles 75 chains—cost per mile $14,902 85.

No. 3.

To Jesse L. Williams,
Chief Engineer:

Sir—In compliance with your invitation, to take charge of the survey and examinations on the line of the Erie and Michigan Canal, I proceeded to Michigan City and joined the party, which had previously been employed in the service on the 5th of Sept. last.

By reference to the act of assembly, authorizing this survey, it was found that the location of a canal was directed, provided, *a practicable route could be obtained within the limits of the State of Indiana;* but if no such location could be made, then the location of a railway was directed.

From this it appeared to have been the intention of the Legislature, that no survey or location of a railway should be made, until it was first clearly ascertained that a practicable line for the construction of a canal could not be found between Fort Wayne and Michigan City, without going beyond the boundary of the State of Indiana.

Previous examinations had indicated two prominent difficulties in the location of a canal, to-wit: the summit between Elkhart river and the waters of Little St. Joseph, and the summit dividing the waters of Kankakee and those flowing into Lake Michigan.

Immediately previous to my joining the party, Mr. Holman had determined the practicability of passing the last mentioned summit by the valleys of Kankakee and Salt rivers, and, as the season for field operations was then too far advanced to afford time for a regular survey and estimate of the whole line, it was deemed more strictly in conformity with the provisions of the law, to employ the remainder of the season in ascertaining whether it was practicable to construct a canal across the Elkhart summit, as upon the issue of this examination alone, depended the character of the improvement contemplated by the Legislature. The party was therefore immediately removed above the forks of Elkhart river, and the necessary experimental surveys commenced. The extensive range, embraced within the limits of this survey, in a country covered with a dense forest, necessarily consumed much time.

As a preliminary, it became necessary to ascertain the greatest height, at which an adequate supply of water could be obtained; as that level would determine the fact whether the summit could be passed without incurring unreasonable expense.

The arrangement adopted for supplying the requisite quantity of water, is to construct a navigable feeder from the north fork of Elkhart near the line between Lagrange and Noble counties, to the summit level of the main canal near the south fork, a short distance below the confluence of Lewis' branch.—This feeder in its course, will collect the waters of the middle fork and Tamarack branch of Elkhart. The water of south fork will be introduced into the canal at Elliott's mill dam. The supply which may be derived from these sources at extreme low water could not be very accurately ascertained in consequence of frequent rains during the progress of our operations, it was observed however, that the streams were subject to but slight variation in the quantity of water discharged. This is perhaps best accounted for by their connection with numerous lakes, which act as regulating reservoirs, and affording a more regular supply than would be the case under different circumstances.

From the 14th to the 25th September, the average discharge of the different streams noted as feeders, was as nearly as could be ascertained 7,500 cubic feet per minute, and from all the facts which could be collected, it is believed that the quantity is at no time reduced below 5,300 feet. That no danger may be apprehended by assuming this amount as the minimum quantity, it is proper to remark that the feeder dams on both the middle and south forks may be so constructed (at an increased expense not exceeding $10,000) as to form reservoirs capable of accumulating during the times of high water, any quantity which the wants of the canal might require during periods of extraordinary drought.

I would recommend this plan of forming reservoirs, because the large amount of surplus water thus obtained might be advantageously employed in propelling machinery, or supplying the contemplated Maumee canal, if at any time a supply, from this source might be desirable.

The canal and feeder to be supplied from the sources referred to, will be 45½ miles in length, and assuming the minimum quantity of water at 5300 cubic feet per minute, the aggregate supply for the business season, calculated at 210 days, would be	1,602,720,000 cubic feet.
The quantity required will be as follows:	
For supplying 45½ miles of canal and feeder at 75 cubic feet per minute, for each mile for 210 days, ...	1,031,940,000 "

Lockage water required to pass 100 boats per day for 210 days, . . .	453,600,000	"
	1,485,540,000	"
Surplus, ...	117,180,000	"

I am aware that the quantity here calculated for supplying filtration and evaporation is less than is now usually allowed, but as the demand for this purpose must be varied by circumstances, little doubt can be entertained in this case, that the calculation will be found adequate. The reasons which operate to establish the fact, are the numerous springs and streams crossing the line of location, which can be most conveniently disposed of by introducing them into the canal, together with the general character of the soil for retaining water and the diminished exposure to leakage, from the peculiarity of location.

Being satisfied in relation to a supply of water, the next operation was to ascertain the most favorable point for passing the feeder level over the summit. The lowest summit was found in a marsh three miles south of Elliott's mill—the waters of this marsh drain north into the Elkhart, and south into the Mud branch of Blue Grass creek. Its elevation is 43 feet above the feeder level, and deep cutting would be encountered for the distance of four miles. The examination was then extended to the head of the main branch of Blue Grass, where it was found that the summit might be passed by cutting through a ridge to the depth of 49.60 feet for a distance of only 8 chains; this being decidedly the most favorable, was consequently adopted as a point in the location. From the north west side of the summit ridge, the canal will pass down the valley of the south fork and form a junction with the feeder line. The summit level is 147 feet above the level of the Wabash and Erie Canal, thus commanding the slope of the intermediate country, so that no material deviation from a straight line will be required in the location to Fort Wayne.

Having ascertained the practicability and comparative cheapness of constructing a canal across the Elkhart summit, the location of a feeder line was commenced at the west end of the summit level and extended north as far as the middle fork of Elkhart. The estimated cost of its construction is $10,280 per mile, including the cost of embanking the reservoir, building a guard lock and all other incidental work necessary to its completion.

Not having acquired, with any considerable degree of accuracy, the facts necessary to form an estimate of the cost of constructing a canal from Fort Wayne to Michigan City, I can only say, that from a general view of the probable route, and a comparison with similar works already constructed by this state, its cost will not probably exceed an average of $11,000 per mile.

A map in illustration of this report is herewith submitted.

W. B. MITCHELL,
Civil Engineer.

Indianapolis, Dec. 8, 1836.

No. 4.

To **Jesse L. Williams,**
Principal Engineer.

Sir—In obedience to your verbal instructions, communicated to me on the 22d March last, directing some preliminary examinations on the Elkhart summit, to determine the practicability of the summit section of the Erie and Michigan Canal, a party was immediately organized, and a line of random levels commenced at Fort Wayne, with the summit level of the Wabash and Erie Canal as a base, and run thence along the Mongoquinon road to Cedar creek, a branch of the Little St. Joseph, and thence up the westwardly branches of this stream, to their sources, thence along the ridge dividing the waters of the Little St. Joseph from those of the Elkhart, to the sources of the north branches of the latter stream.

In order to obtain data from which to calculate the extent of country, the drainage of which could be brought to the summit, a level was assumed giving a deep cut of reasonable magnitude, through the lowest gap thus found in the ridge, and levels run with this base up the several branches of the Elkhart, and Cedar creek, to ascertain at what points they were high enough to command the assumed summit level; taking at the same time, such notes, as it was thought would assist in selecting reservoir sites, or aid in making a proper location of the canal.

The result of these examinations proves that the principal branches of the Elkhart drain an area of 142 square miles, and Cedar creek 130 square miles, available for the supply of the summit level; that many reservoir sites of easy improvement may be found, in the vicinity of the summit; that the character of the country is generally favorable for a cheap construction of the canal, and necessary feeders; and that a feeder to convey the drainage of Cedar creek to the main line will be about 18 miles long.

By your instructions of the 24th June last, I was directed to proceed to the northern part of the route, for the purpose of taking such levels as would be necessary to determine whether the canal could be constructed across the ridge which divides the waters of the Kankakee from those which flow into Lake Michigan, and as it was evident that the supply for this portion of the line must be drawn from the Big St. Joseph or the Elkhart, the height of the level across the ridge would be governed by the low ground, previously known to exist, at the head of the Kankakee, near South Bend, the undersigned was directed to assume a level at that place, as high as could be maintained across this valley at reasonable cost, and after ascertaining at what point the waters of the Big St. Joseph could be introduced, to run a line of levels in the direction of Michigan City, to the summit, and if the country in this direction proved to be too high to continue this level along the dividing ridge north to the state line, and west as far as might appear necessary to determine the practicability of getting through it to Michigan City.

In obedience to the foregoing instructions, a party was organized at Fort Wayne, and taken immediately to Goshen, and there a random level was commenced, taking the surface of the Elkhart at that place for a base, and run thence down that stream to its mouth, and from thence down the Big St. Joseph to South Bend; taking the surface of those streams in several places. The low ground here was then examined, and a level assumed for bottom of canal, requiring an embankment for three miles in length, and from 6 to 18 feet in height. With this base, a level was run along the ridge until it was ascertained, that the canal could not cross the ridge in this direction, and keep within this state, with a cut of less than 67 feet, and between the points of proper cutting on either side about 8 miles.

It was ascertained however, that the canal could be made by running about one mile into Michigan, and continuing in her territory about 6 miles.

The route of this line will follow down the Kankakee, from South Bend to the mouth of the Grape vine creek, thence up this stream to its source, where it will enter Michigan and continue in her territory about 6 miles, to the head of Trail creek, thence down this stream to Michigan City.

It was also found by continuing the level further along the ridge towards he Illinois line, which was done at a subsequent period, that a pracicable route may be found, by crossing the ridge through a depression ound at the head of Salt river, a branch of the Calumet. This deression or gap in the ridge, is in sec. 2, town. 34 north, range 6 west, nd is so low as to do away the necessity of the high embankment across e head of the Kankakee near South Bend.

The plan of the canal on this route will probably be as follows: Afer passing the Elkhart summit the canal will follow down the valleys f the Elkhart and Big St. Joseph rivers to South Bend, thence across e summit into the head of the Kankakee valley, thence along the orth side of that valley to Indian creek, 6 or 8 miles above its mouth, ence up this stream to the head of Salt river, and from thence to Michigan City.

The surface of the Big St. Joseph, four miles below the mouth of the Elkhart, is high enough to command, without deep cutting, the summit at the head of the Kankakee, and the last feeder from the St. Joseph, will be introduced at or above this point, and will be the chief dependence for the canal to the Lake. It is believed that the Kankakee 6 or 8 miles above the mouth of Yellow river is high enough to command the ridge at the head of Salt river, and if this should be the case, an additional feeder may be introduced from that stream if necessary.

All of which is respectfully submitted.

S. HOLMAN, *Engineer.*

Indianapolis, Dec. 10, 1836.

7

H. R.

MONDAY, December 19, 1836.

REPORT

OF THE

COMMISSIONER OF THE MICHIGAN ROAD.

Read and committed to the Committee on Roads and 500 copies ordered to be printed.

INDIANAPOLIS, December 17, 1836.

HON. CALEB B. SMITH,

SIR—Permit me, through you, to lay before the House of Representatives, my Annual Report of operations upon the Michigan Road.

Yours, &c.

WM. POLKE, C. M. R.

In obedience to law the Commissioner of the Michigan Road submits his annual report—

That on the passage of the act for the improvement of the Michigan Road and for other purposes, approved Feb. 6, 1836, he without delay entered into bond and proceeded to make such arrangements as would enable him to commence the improvement of the road early in the season. As the amount of money appropriated was small, it was thought advisable, instead of letting numerous small contracts on the different sections, to employ competent men of integrity, whose business it should be to hire hands and teams and constantly superintend in person, the operations upon different divisions of the road. On the 16th of February he addressed a letter and propositions to Erasmus Powell and others, of which Document "A" is a copy, which will show the mode adopted to make the road equally good at all points, and which has been pursued with such deviations only as circumstances rendered necessary. Owing to the increased price of labour and provisions, the contractors generally were unwilling to accede to the propositions, unless tools were furnished by the Commissioner, which was done in most cases. Such tools as were furnished are now on hand and subject to the order of the General Assembly. As the sum received from the sale of lands during the summer was greater than was anticipated, the contracts were extended as funds were received.

Each contractor was directed to furnish a monthly return of the amount of improvements made during each month. To incorporate these returns herewith, would swell this report to an unreasonable length, but they can at any time be submitted to the inspection of a committee.

Paper "B" will show the amount expended by each contractor on the two divisions of the road, and designates the nature of each contract. On the first division extending from Madison to Logansport, 163 miles, there has been expended the sum of $9,234 35, including a contract of $84 10, which had been performed the previous year; but which was overlooked in last year's Report. The sum of $10,413 75 has been expended on the division north of Logansport, 102 miles. The larger proportion of former appropriations having been expended upon the southern division of the road, as will be seen by reference to Document "R" of last year's report, it was deemed just to equalize the expenditures in some measure during the present year. From the experience of the two last years, it is clearly ascertained, that in the rich level lands, a clay turnpike will not answer the purpose of making a permanent road at all seasons of the year. And the mode has been adopted of covering the turnpiking in the worst marshes with substantial timbers, and of covering the timbers with a good coat of sand, or of the best material which could be had in the vicinity. After a road has been thrown up and travelled upon, so that the rails or timbers can be firmly bedded in the earth and secluded from the air, it is believed that causeways can be made, which will last and be passable for many years.

Several bridges were partially injured by the high waters, which it became necessary to repair, and one on the 76th mile north of Logansport was entirely swept away, which rendered the road almost impassable. This has been replaced by a permanent frame bridge, which it is believed will not be liable to be destroyed by high waters. Other permanent improvements were much needed; but as the Commissioner was required by law to make all parts of the road as nearly as practicable equally passable, he did not feel authorised to expend large sums at any one point, except where such expenditure was indispensably necessary. On account of the heavy rains in September and October and the large number of loaded wagons passing upon the road, several places north of Indianapolis were rendered nearly impassable, at the time your Commissioner came to this place in the latter part of November. Though he had intended to be able to furnish the General Assembly before this time, a final statement of all the operations upon the road, he was induced to make a few specific contracts for causewaying and covering in the manner above described, a few of the worst places, and necessarily at high prices. These contracts are in process of completion, and your Commissioner is advised that they will be finished in a few days.

Document "C" is a recapitulation of the amount of sales of land in each year, as also of the number of acres remaining unsold, by which it will appear that the road fund is nearly exhausted. As the duties of your Commissioner were increased, by means of a greater amount of funds having come into his hands than was anticipated, and as he was not authorised to employ a clerk, his books are not in such a state of forwardness as to enable him, at this time, to state the precise amount of funds in his hands unexpended. And as some road scrip has not been redeemed and some bills of contingent expenses have not been presented, a supplemental report will be made out in a few days. The Commissioner would respectfully call the attention of the General Assembly to the correspondence with the Land Office Department, communicated in his last year's Report, as it is indispensable that the title of the State to a portion of the Road Lands, should be perfected, which has not yet been done, owing, as is supposed, to the great pressure of business in that Department. No answer has been received to the letter of September 16th, 1835, either by your Commissioner or the Secretary of State. Doubts are entertained by your Commissioner, as to the propriety of continuing the correspondence, as, by law, his term of service expires on the 20th of January next, and some provision will be necessary to continue the correspondence till a full title is finally vested in the State. As the present Commissioner of the General Land Office is fully acquainted with the whole history of the Road Grant, no difficulty can be anticipated in procuring a final adjustment of the affair.

All which is respectfully submitted,

WM. POLKE, C. M. R.

Indianapolis, Dec. 17th, 1836.

DOCUMENT—A.

Copy of a letter to Erasmus Powell, Esq. of Shelby county.

CHIPPEWAY, Feb. 15, 1836.

SIR,—After mature deliberation as to the best method of improving the Michigan Road, during the ensuing season, I have thought best to engage men of judgment and integrity to employ work hands and superintend the operations upon different portions of the road. It is my object to make all parts of the road as nearly as practicable equally good. Of the funds now on hand, the proportion to be applied south of the Wabash will be about $6,000, of which amount it will be necessary, in order to comply with the requisitions of the law, to expend something more than one half between Logansport and Indianapolis, as the country between those points is more level and wet than south of Indianapolis. Enclosed is a proposition which I submit for your consideration. The proposals are such as appear to me to be just both to the public and the persons employed. The work is to be done, at such places as we may agree upon, between Logansport and Napoleon. I have addressed similar letters to Mr. Bryan of Decatur county and others in whom I have confidence, only varying the amount to be expended upon the different divisions as seemed most equitable.

Should you accede to my propositions, please sign the within memorandum, retaining a copy, and return the original to me.

Yours, &c.

WM. POLKE, C. M. R.

COPY OF THE MEMORANDUM.

Sir—Having confidence in your judgment and integrity, in improving the Michigan Road, I submit the following propositions:

1st. Employ 15 hands for 4 months, between the 1st of April and 1st September, 110 days each, at $1.00 per day,	1,560 00
Three yoke of cattle and carts, at one dollar per day each team,	312 00
Your own service same time at $2 00 per day,	208 00
	$2,080 00

P. S. Such tools as are necessary, except carts and ploughs, will be furnished by the State—you to return them at the expiration of the time and to take reasonable care of them while they are in your possession.

DOCUMENT—B.

Amount of improvements on the Michigan Road in 1836.

1835.		
Peter Day repairing bridge,	$4,60	
Wm. Morgan extra turnpiking.	30,00	
Thomas Hendricks, do.	49,50	84 10
1836.		
John Sering improving Hill at Madison,		200 00
Robert B. Mitchell repairing turnpike from 3 to 19 north of Madison as per monthly returns,		451 50
Westly Copeland do. 13 and 14 as by agreement with D. Hillis,		150 00

Joseph Bruding from 20 to 34 inclusive as per monthly returns,	1006 50
Joseph Clark do. 38 north Madison,	50 00
Samuel Bryan from 34 to 62 and 99 to 112 as per monthly returns,	2081 00
Erasmus Powell 63 to 80 and 112 to 134	2373 00
James Greer and Wm. Griffith 81 to 93,	800 00
James Allen 134 to 160	1432 75
Benjamin Cruse five rods causwaying and repairing bridge 113th mile,	25 00
Daniel Heaton large culvert bridge on 113th mile,	10 00
L. Stower repairing bridge on 123,	2 50
Wm. Boyle 100 rods causewaying 117 and 133 and 139 north Madison, also turnpiking and repairing bridges,	293 00
Wm. Lane thirty rods causewaying and culvert on 117th mile,	75 00
Lewis Harris 70 rods causewaying and three culverts on 118th and 119th miles,	175 00
John Shulds ten rods causewaying 151 and 152,	25 00
Amount expended south Logansport,	9234 35

Charles Polke causewaying, turnpiking &c. from 1 to 20 N. Logansport as per mo. returns,	1968 50
Wm. Spencer repairing causeway on 21 and 22,	38 00
John Robbins from 21 to 25 as per monthly returns,	240 00
Tisdell Huskins improving banks Tippecanoe and sanding turnpiking,	25 00
Wm. T. Polke 3 rods causewaying and sanding turnpike on 26th mile,	70 0
Sidney Williams from 25 to 39 as per monthly returns and forty rods causewaying,	2207 00
J. Blackley 29 rods causewaying and sanding marsh, 39th m.	87 00
Charles Osterhout causewaying swamp and grading banks on 41st m.	40 00
Adam Vinnedge 43 to 50 as per monthly returns,	1223 00
Williamson Owens 34 to 35 and from 50 to 55 as per mo. returns,	1989 00
John Bacon grading bank and sanding causewaying on 56th m.,	10 00
John Henderson 56 to 59, as per monthly returns,	340 00
John Henson 60 to 62 as per mo. returns,	242 00
J. & A. Palmer grading hills on 63 and 64,	143 00
Jacob Bratt grading hills 71 and 72,	106 00
Reynolds Dunn furnishing timber and repairing bridge on 76th mile,	46 00

Elijah Sinebeck, frame bridge 146 feet on 76th mile,	370 00
Wm. Bell causewaying and raising turnpike on 80th mile,	110 00
Oliver Shurtliff from 88 to 102 as per monthly returns,	1222 25
Am't north of Logansport,	$10413 75

C.

AMOUNT of Sales of Michigan Road Lands in each year, and Statement of Lands bid off and forfeited, &c.

Date.	No. Certificates.	No. Acres.	Price.	No. forfeited Certificates.	Description.	Sec.	Town.	Range.	Acres & parts.	Price.	Nett am't. sold.	Am't of purchase money
			$ cts.							$ cts.		$ cts.
Oct. 1831	1 to 385	29609.68	49371 91	332	E. 1-2 N. E. 1-4	36	36 N.	3 W.	80.15	100 19	29529.53	49271 72
June, 1832	386 to 564	13709.38	18134 39	461	S. 1-2 S. E. 1-4	34	†	†	117.00	152 10	13512.33	17882 23
				546	W. 1-2 N. E. 1-4	36	36 N.	3 W.	80.05	100 06		
Oct. 1832	365 to 763	15113.66	22635 51	594	W. 1-2 N. E. 1-4	1	36 N.	4 W.	80.17	100 21	14874.75	22237 52
				603	W. 1-2 S. W. 1-4	8	“	3 W.	79.47	198 67		
Private sales.				654	E. 1-2 N. W. 1-4	24	“	“	79.29	99 11		
Fall, 1832	764 to 868	9219.82	11524 77								9219.82	11524 77
1833	869 to 1341	36495.00	45618 75								36495.00	45618 75
1834	1342 to 1746	34071.08	42588 57								34071.08	42588 57
1835	1747 to 1939	18938.56	39068 81	1927*	N. W. 1-4	22	28 N.	5 E.	160.00	200 00	18778.56	38868 81
1836	1940 to 2031	10431.91	13180 28								10431.91	13180 28
									676.13	950 34	166912.96	241173 65

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* This tract was erroneously sold the second time and the money refunded to the last purchaser.   † Selected Lands.

List of lands remaining unsold.

	Sec.	Town.	Range.	Acres & parts.
N. 1-2 N. E. 1-4	22	36 N.	2 E.	80.64
N. 1-2 N. W. 1-4	34	"	"	30.00
S.p'tS.W.fr.W.M.R.	34			143.52
E. N. E. 23	23	29 N.	6 E.	80.00
S. W. 1-4	24	"	"	160.00
S. E. 1-4	26	"	"	160.00
E. 1-2 S. E. 1-4	32	"	"	80.00
S. E. 1-4	33	"	"	160.00
E. 1-2 N. W. 1-4	12	28 N.	5 E.	80.00
E. 1-2 S. W. 1-4	13	28 N.	5 E.	80.00
N. E. 1-4	5	28 N.	6 E.	186.12
N. E. 1-4	18	"	"	160.00
N. W. 1-4	"	"	"	115.10
S.1-2S.E.6. E. M. R.	6	selected	lands.	50.74
N1-2S.W.1-4W.MR	"	"	"	114.52
S. 1-2 " "	"	"	"	110.26

No. acres unsold, 1840.90

8

H. R.

WEDNESDAY, December 21, 1836.

REPORT

OF THE

CANAL FUND COMMISSIONERS.

Referred to the Committee on the Canal Fund and one thousand copies ordered to be printed.

H on. CALEB B. SMITH,

Speaker of the House of Representatives:

SIR—Will you please lay before the House of Representatives the enclosed Report, and oblige,

JER. SULLIVAN, SAM'L HANNA, ISAAC COE.	*Fund Com'rs.*

OFFICE OF THE COMMISSIONERS OF THE CANAL FUND,
Indianapolis, December 17, 1836.

To the General Assembly
of the State of Indiana:

The Commissioners of the Canal Fund, in submitting to the Legislature a report of their proceedings during the present year. are compelled to leave for a future Report, after settlement with the Board of Internal Improvement, a particular statement of the funds under their care.

INDIANA STATE LIBRARY

The gteat pressure in the money market, both in Europe and the United States, during the present year, had so much depressed the price of American stocks that it was found difficult to effect loans on the terms prescribed by law; and the failure of a neighboring state to receive a single proposal for five per cent. stock, after a public invitation had been given, admonished the Board that the method heretofore pursued of advertising for proposals, would probably be ineffectual, and if so, would be likely to depreciate the price of our stock and injure its sale by private contract.

Under these circumstances, after contracting for a loan of $500,000 at par, it was thought best, that one member of the Board should remain, to watch the markets and embrace any favorable opportunity which might offer to effect further loans.

In June a contract was made with J. J. Cohen, Jun. & Brothers, Bankers of Baltimore, and completed in July, by delivery of the bonds for five hundred thousand dollars at par, by giving an average of four mouths after delivery of the Bonds for payment of the money on receiving satisfactory security.

$2742 58-100 of stock was sold to the Secretary of War at 7 per cent. premium, on account of funds in his hands to be invested for the benefit of certain Indian tribes.

And a further loan was made of Thos. Biddle & Co., Brokers of Philadelphia and the Morris Canal and Banking Company of Jersey city, which was completed in November last, for one million and twenty-nine thousand dollars of our five per cent. stock, at one per cent. premium.

The result of the whole is

$500,000	5 per cent. stock sold Messrs. Cohen's at par,	$500,00 00
2742 58-100	do. sold Sec'y of War at 7 per cent prem.	2,934 56
1,029,000 00	do. sold Thos. Biddle & Co. and Morris Canal and Banking Co. at 1 per ct.	1,039 290 00
1,531,742 58-100	Five per cent. stock sold for	$1,542,224 56

Of this

$241,724 58 100	of stock was issued on account of the Wabash and Erie Canal, producing	243,324 56
440,000 00	on account of Bank Loan, producing	444,400 00
850,000 00	on account of Internal Improvement Loan, producing	854 500 00

For which all the Bonds are dated the 1st of July last, and the interest made payable semi-annually the first days of January and July, on $1,010,000 at the Banking House of the Morris Canal and Banking Company, in Jersey City, or its agency in the city of New-York; and the balance of the loan at the Merchants' Bank in the city of New York, as is more particularly specified in our report to the Auditer of Public Accounts.

Of the $500,000 for which the State Bonds were issued to th Messrs. Cohens of Baltimore, the Commissioners were by contract draw therefor at pleasure, payable at the National Bank, New Yor so that the whole was not to be drawn to average less than four montl from the 1st of July last, and bearing an interest of five and an half pe cent. from the date of the bonds until paid. Of this nearly one thir has been drawn and the remainder is subject to draft at pleasure.

Of the $1,020,000 purchased by Thomas Biddle & Co. and the Morris Canal and Banking Company, the Bank loan of $144,400 was paid over for the use of the Bank on delivery of the bonds therefor, and the remainder is payable on the draft of the Commissioners at their pleasure, at the Agency of the Morris Canal and Banking Company in New York city, so that it be not drawn to average less than one year from the 1st of July last, and until paid bears an interest of five per cent. per annum.

The Commissioners also report, that on the authority of an order from the Treasurer of State, they have executed and delivered to the Lawrenceburgh and Indianapolis Rail Road Company, one hundred bonds of the State, of one thousand dollars each, numbered from 1 to 100 inclusive, payable at 21 years from the 1st January 1836, and bearing an interest of 5 per cent. per annum, payable semi-annually the 1st days of January and July, at the Banking House of the Morris Canal and Banking Company, in Jersey City or its Agency in the city of New York.

With respect to future loans, it is believed that unless a considerable change shall take place in the money market for the better, the State cannot with any certainty rely on selling five per cent. stocks at par, and to secure the completion of the public works undertaken, it will probably be necessary to authorise the issue of a six per cent. stock, or the sale of five per cents at that their market value.

And to enable the Board to wait for a favourable state of the market in making loans, they would recommend applying so much as necessary of the deposit received from the General Government to our public works, until another loan shall justify refunding it for such purpose as the Legislature may designate.

It is with pleasure the Commissioners state, that in negociating loans, no exception has been taken to the credit of the State or the security of the stock; but the Legislature will perceive, that although the Bank, and Wabash and Erie Canal loans are sufficiently secured by their own means, other provision than the loans themselves must be made for payment of interest on the Internal Improvement loans, or that credit cannot long be maintained, and in the present state of the market it is peculiarly important that no exception be taken to the credit of the stock offered.

The Commissioners also remark, that it will be with the Legislature to determine, whether the sums taken from the Wabash and Erie canal fund for survey of Rail Roads and other canals shall be repaid out of the Internal Improvement fund.

We invite the attention of the Legislature to the 14th section of the Internal Improvement law of last session, which provides that the Auditor shall receive for his increased duties, for clerk hire, a sum equal to the compensation paid by the Fund Commissioners to their Secretary. The compensation, paid by the Board to their Secretary has been no other than a *per diem* compensation for the time actually employed, a rule, which we cannot easily apply to the Auditor, nor does the law provide by whom this, or other compensation allowed the Auditor shall be paid, nor in all cases out of what fund.

And lastly, the Board would suggest, that no provision has been made by law to compensate the Fund Commissioners for time spent in negociating loans or other duties required under the Internal Improvement act of last session.

All which is very respectfully submitted.

JER. SULLIVAN,
SAM'L HANNA, } *Fund Com'rs.*
ISAAC COE.

H. R.

December 27, 1836.

REPORT

OF THE

STATE BOARD

OF

INTERNAL IMPROVEMENT.

Referred to the Committee on Canal Fund, and 500 Copies ordered to be Printed

To the General Assembly of the State of Indiana:

The State Board of Internal Improvement submits the following report of the sales of Canal lands, and the entire condition of that important interest up to the 25th November, 1836.

Between the 25th November 1835, and the 25th November 1836 there has been sold at the office in Fort Wayne 58,452 51-100 acres of land for the sum of $105,619,29 cents of which sum $26,882,32 cents have been paid, and $4,725,23 cents the interest in advance on the residue. There has also been paid $16,553,71 cents the interest in advance, and $5,022 97-100 balance of principal on canal lands sold previous to the 28th November, 1835.

There remains unsold six or seven Lots, not exceeding in all 500 acres. The General Assembly will also find herewith, a statement of the accounts of this Board embracing the accounts of the members separately, showing the entire debits, credits and balance in each case. To secure the faithful disbursement of the public money, and its judicious application, the members are required by the Board to produce triplicate accounts, accompanied by triplicate vouchers, for each item of expenditure, which are examined in regular succession before the whole Board, and separately passed or rejected; and in case of any excess on hand, not evidently required by the public service, to satisfy the Board why it has so happened. The Board will remark, that from the nature of the service, it is impossible for an Acting Commissioner pending operations, precisely to balance his accounts—that sometimes there will appear a balance in his favor, when his drafts have not reached the Fund Commissioners, and frequently a balance against him to be absorbed by outstanding claims and contingent expenses. In the recent settlement of accounts the Board has no complaint to make, except in a single case. By reference to the account of Mr. David Burr it will be seen that there is a balance against him of $21,344,59 cents, and for this balance he has failed to give any satisfactory explanation. When it is recollected that Mr. Burr commenced his duties as Canal Commissioner with the commencement of the Wabash and Erie Canal, and that for many years in that capacity, he with much ability served the State, it is with deep regret, the Board finds itself compelled to report this defalcation, but duty to the public interest, and the character of this Board admits of no alternative.

By order of the Board,

D. H. MAXWELL, *President.*

BOLTON & LIVINGSTON, Printers.

16.560 61¾

of this Board embracing the accounts of the members separately, showing the entire debits, credits and balance in each case. To secure the faithful disbursement of the public money, and its judicious application, the members are required by the Board to produce triplicate accounts, accompanied by triplicate vouchers, for each item of expenditure, which are examined in regular succession before the whole Board, and separately passed or rejected; and in case of any excess on hand, not evidently required by the public service, to satisfy the Board why it has so happened. The Board will remark, that from the nature of the service, it is impossible for an Acting Commissioner pending operations, precisely to balance his accounts—that sometimes there will appear a balance in his favor, when his drafts have not reached the Fund Commissioners, and frequently a balance against him to be absorbed by outstanding claims and contingent expenses. In the recent settlement of accounts the Board has no complaint to make, except in a single case. By reference to the account of Mr. David Burr it will be seen that there is a balance against him of $21,344,59 cents, and for this balance he has failed to give any satisfactory explanation. When it is recollected that Mr. Burr commenced his duties as Canal Commissioner with the commencement of the Wabash and Erie Canal, and that for many years in that capacity, he with much ability served the State, it is with deep regret, the Board finds itself compelled to report this defalcation, but duty to the public interest, and the character of this Board admits of no alternative.

By order of the Board,

D. H. MAXWELL, *President.*

BOLTON & LIVINGSTON, Printers.

STATEMENT

Exhibiting the amount of moneys received, and the amount disbursed, by the several Acting Commissioners, comprising the State Board of Internal Improvement, for the year ending 30th November 1836 on account of the Public Works, as liquidated by the Board.

Dr. The State of Indiana in account with the State Board of Internal Improvement. Cr.

Dr.	Dollars. Cents.	Dollars. Cents.
DAVID BURR.		
Amount disbursed by David Burr, Commissioner on Wabash and Erie Canal, during the year 1836, to 30th November, to Contractors.	277,142 66	
do. by do. being incidental expenses on do.	12,024 50	
" by do. being damages assessed in favor of individuals on do.	283 00	
" by do. as Acting Commissioner on Indianapolis Division of Central Canal (incidental expenses.)	3,909 40	
" by do. for purchase of land for do.	3,234 00	
" by do. for construction of do.	1,171 99	
" by do. for Fall Creek survey.	1,235 41	
" by do. for survey of Central Canal last year.	687 00	
" by do. for general contingences for the Board.	1,526 75	
" deposited in Indianapolis Branch Bank to credit of Fund Commissioners by same.	10,000 00	311,205 71
Amount in hands of do. on 30th November, 1836.	21,344 59	
SAMUEL LEWIS.		
Amount deposited by Samuel Lewis, Commissioner of the Wabash and Erie Canal Land Office at Fort Wayne, in the Fort Wayne Branch Bank to the Credit of the Fund Commissioners.	7,399 40	
" by do. do.	27,253 87	
" paid by do. as Acting Commissioner on Wabash and Erie Canal, East of Huntington (incidental.)	1,866 02	
" paid by do. for constructing and repairing do.	8,511 92	
" paid by do., being incidental expenses on sale of Canal Lands.	1,079 73	
" deposited by do. in Indianapolis Branch Bank, to the credit of Fund Commissioners.	2,052 50	
" paid by do. for survey of Erie and Michigan Canal.	3,691 76¾	51,855 20¾
" amount in hands of do. on settlement.	1,613 02¼	
JAMES B. JOHNSON.		
Amount paid by James B Johnson, Commissioner Wabash and Erie Canal to Contractors above Georgetown from November 30th, to 20th January last.	13,536 34	
" by do. East of Tippecanoe.	4,703 00	
" by do. West of do.	4,537 00	
" by do. contingent expenses East of Tippecanoe.	1,380 97	
" by do. on West of do.	1,292 56	
" by do. being his salary and expenses &c. on both lines.	1,028 50	
" by do. being postage account.	2 75	26,481 12
JOHN WOODBURN.		
Amount paid by John Woodburn, Acting Commissioner on the Madison and Lafayette Rail Road for location and construction.		13,439 57½
SAMUEL HALL.		
Amount paid by Samuel Hall, Acting Commissioner on Southern Division of Central Canal for locating, including $50,00 for land for lock site and $137,16 paid over to Amos Clark his successor in office.		1,699 33¾
" Balance in Mr. Hall's hands.	300 66¼	
AMOS CLARK.		
Amount paid by Amos Clark, Acting Commissioner on same line, successor of Mr. Hall including $100, paid for land for a lock site.		1,295 18
" balance in Mr. Clark's hands.	141 98	
ELISHA LONG.		
Amount paid by Elisha Long, Acting Commissioner on the White Water Canal, for location, pay to Contractors, &c.		4,644 97
DAVID H. MAXWELL.		
Amount paid by David H. Maxwell Acting Commissioner on the Jeffersonville and Crawfordsville Road, for surveying Road, &c.	3,866 02	
" paid by same as President of the Board, for contingencies.	2,100 00	
" balance in Mr. Maxwell's hands.	133 98	5,966 02
THOMAS H. BLAKE.		
Amount paid by Thomas H. Blake, Acting Commissioner on the Cross Cut Canal for locating, &c.		3,146 16
" balance in Mr. Blake's hands.	853 84	
JOHN G. CLENDENEN.		
Amount paid by John G. Clendenen, Acting Commissioner on the New Albany and Vincennes McAdamized Road, for location, &c.		4,262 34½
Total amount of disbursements.		423,995 6½
Balance against the Board.		16,560 6¼
		440,556 24
RECAPITULATION OF BALANCES.		
In the hands of Mr. David Burr,	21,311 59	
do. do. Samuel Lewis,	1,613 02¼	
" " Samuel Hall,	300 66¼	
" " Amos Clark,	141 98	
" " Thomas H. Blake,	853 84	
" " D. H. Maxwell,	133 98	24,388 08
OVER PAID AS FOLLOWS.		
By Mr. J. B. Johnson,	4,480 57	
By Mr. John Woodburn,	439 57½	
By Mr. Elisha Long,	2,644 97	
By Mr. John G. Clendenen,	262 34½	7,827 46¼
Aggregate balance against the Board, 30th November, 1836.		16,560 61¾

Date	Cr.	Dollars. Cents.	Dollars. Cents.
	Amount of drafts on Fund Commissioners drawn by David Burr, Commissioner on Wabash and Erie Canal, including $13,536,34, received by him from J. B. Johnson, Commissioner.	325,196 02	
	" do. do. by same as Acting Commissioner on Indianapolis division of Central Canal.	7,354 28	332,550 30
1836. May 2d,	Amount of draft drawn on Fund Commissioners by Samuel Lewis Acting Commissioner on Wabash and Erie Canal.	266 00	
November 30,	Amount received by do. from individuals for lands sold between 25th November 1835, and 25th November 1836.	26,882 32	
"	" by do. from do. being one years interest in advance on the above sales.	4,725 23	
"	" by do. in full for Canal lands sold prior to 25th November 1835.	5,022 97	
"	" by do. for Trespassing on Towing path, Wabash and Erie Canal.	18 00	
"	" by do. for interest on Canal lands sold previous to 25th November 1835.	16,553 71	53,468 23
Dec. 1835.	By amount in hands of J. B. Johnson Commissioner of Wabash and Erie Canal, at last years report.	19,910 55	
July 1836,	" draft on Fund Commissioners by same.	2,000 00	
	" received by same for 2 yoke of oxen.	90 00	22,000 55
	Amount overpaid by Mr. Johnson.	4,480 57	
	By amount of draft on Fund Commissioners drawn by John Woodburn Acting Commissioner on Madison and Lafayette Rail Road.		13,000 00
	" amount overpaid by Mr, Woodburn.	439 57½	
	By amount of draft on Fund Commissioners drawn by Samuel Hall, Acting Commissioner. &c.		2,000 00
	By amount received by Amos Clark, Acting Commissioner &c. from Mr. Hall his predecessor.	437 16	
	" do. by do. in draft on Fund Commissioners.	1,000 00	1,437 16
	By amount received by Elisha Long Acting Commissioner &c. on draft on Fund Commissioner.		2,000 00
	" amount overpaid by Mr. Long.	2,644 97	
	By amount received by D. H. Maxwell, Acting Commissioner &c. by drafts on Fund Commissioners.	4,000 00	
	" do. by do., as President of the Board, by drafts for contingencies.	2,100 00	6,100 00
	By amount received by Thomas H. Blake Acting Commissioner, by drafts on Fund Commissioners.		4,000 00
	By amount received by John G. Clendenen Acting Commissioner &c. by drafts on Fund Commissioners.		4,000 00
	" overpaid by Mr. Clendenen.	262 34½	
	Total amount of moneys received.		$440,556 21

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H. R.

TUESDAY, JANUARY 3, 1837.

REPORT

OF THE

TREASURER OF STATE.

Referred to the Committee on Education, and 200 copies ordered to be printed.

TREASURER'S OFFICE,
Indianapolis, 2d January, 1837.

HON. CALEB B. SMITH,
Speaker of the House of Representatives:

SIR:—Herewith is transmitted, to be laid before the House, an abstract of the returns of the school commissioners, of the amount of tax on lands of non residents and others, as returned for non payment, by the collectors of their proper county.

The abstract exhibits, 1st the amount of tax on lands and town lots, returned by the collectors up to and including 1835—2d the amount so returned in 1836—3d the total amount, and 4th the amount which has been paid to the school commissioners in redemption of said lands and town lots.

It will be perceived that of the 78 organized counties in the state, 29 have failed to make a return the present year, and several have altogether failed to make return for any year.

It is ascertained that many of the clerks certify the delinquent list for the collectors, without requiring the affidavits that they have made their return to the school commissioner as is required by law.

Unless this duty be enforced upon the clerks, very many of the collectors will fail to make a return to the school commissioners, and of consequence, none will be made to the Treasurer of State. This report has been delayed by the want of the returns from the commissioners, which have come in more tardy than last year.

Respectfully,
N. B. PALMER, Treasurer of State.

Names of Counties.	Am't of tax returned in years previous to 1836	Amount of tax returned in 1836	Total amount of tax returned to School Commissioners up to 1836.	Total amount paid in redemption up to 1836.	Remarks.
1 Adams,					No return for any year.
2 Allen,					do. do.
3 Boone,	8 40		8 40	17 01	Return contains only am't paid on redemption.
4 Bartholomew,	114 44	43 29	157 73	82 56	
5 Clinton,	76 16	121 62	197 78	53 58	
6 Carroll,	67 81		67 81		No return for 1836.
7 Cass,	57 28		57 28		No return for 1836.
8 Clark,	69 14	7 53	76 67	78 15	
9 Crawford,		2 76	2 76		
10 Clay,	33 10		33 10		No return for 1836.
11 Dearborn,	314 13	13 40	327 53	143 13	
12 Decatur,	10 00	1 31	11 31	14 00	
13 Dubois,					No return for any year.
14 Delaware,	1 20		1 20	6 26	Return only of redemption this year.
15 Davies,	258 29	34 09	292 38	467 34	
16 Elkhart,					No return for any year.
17 Fountain,	22 07	43 28	65 35	127 47	
18 Floyd,					No return for any year.
19 Franklin,	179 60	23 97	203 57	272 32	
20 Fayette,	22 66		22 66	25 32	No return for 1836.
21 Fulton,		59 27	59 27		
22 Gibson,	37 06	19 56	56 62	62 76	
23 Grant,					No return for any year.

24 Green,	112 49		112 49		No return for 1836.
25 Huntington,					No return for any year.
26 Harrison,	36 33		36 33		No return for 1836.
27 Hendricks,	31 00	20 89	51 89	61 09	
28 Hancock,	36 00	62 11	98 11	155 30	
29 Hamilton,	10 14	7 36	17 50	17 33	
30 Henry,	37 45		37 45	12 05	Return only of redemption this year.
31 Jackson,	113 81	31 62	145 43	82 79	
32 Jennings,	31 52	6 64	38 16	25 95	
33 Jefferson,	143 50		143 50	151 28	No return since 1836.
34 Johnson,	32 91	8 52	41 43	49 10	
35 Jay,					No return.
36 Knox,	982 43	37 16	1,019 59	223 53	
37 Kosciusko,					No return.
38 Lawrence,	149 38	54 37	203 75	221 92	
39 Laporte,	203 35		203 35	15 04	No return for 1836.
40 Lagrange,					No return for any year.
41 Miami,	91 35	52 74	144 09	56 26	
42 Montgomery,	319 58	14 93	334 51	396 89	
43 Morgan,	17 53		17 53		No return for 1836.
44 Marion,	257 12	202 02	459 14	383 26	
45 Madison,		26 07	26 07		No return previous to 1836.
46 Martin,	126 46	87 06	213 52	76 25	
47 Monroe,	36 92		36 92	36 00	Return only of redemption this year.
48 Marshall,					No return.
49 Noble,					No return.
50 Orange,	32 72		32 72	23 07	No return for 1836.
51 Owen,	21 84		21 84	81 43	Return only of redemption this year.
52 Parke,	21 64		21 62	10 80	No return for 1836.

53 Posey,	48 72	15 09	63 81	70 61	
54 Perry,					No return for any year.
55 Pike,	126 81	1 65	128 46	65 14	
56 Putnam,	32 79		32 79	5 52	
57 Porter,					No return.
58 Ripley,	216 59	20 65	237 24	235 05	
59 Randolph,	37 55		37 55	69 99	No return for 1836.
60 Rush,	110 68	83 56	194 24	106 48	
61 St Joseph,	34 02	274 16	308 18	3 01	
62 Scott,					No return for any year.
63 Switzerland,	274 41	9 20	283 61	109 43	
64 Spencer,	26 24		26 24	17 61	Return only of redemption this year.
65 Shelby,	131 61	21 74	153 35	262 62	
66 Sullivan,	18 20	9 87	28 07	19 76	
67 Tippecanoe,	434 74		434 74	193 04	Return only of redemption this year.
68 Union,	78 59		78 59	87 68	Return only of redemption this year.
69 Vermillion,	103 27	22 58	125 85	199 23	
70 Vanderburgh,	185 51		185 51	155 02	No return for 1836.
71 Vigo,	388 64		388 64	120 32	No return for 1836.
72 Wabash,	19 07	82 58	101 65		
73 Warren,	137 85	6 09	143 94	68 71	
74 Washington,	48 83		48 83	23 50	No return for 1836.
75 Warwick,	4 93		4 93	5 84	Amount of redemption only returned for 1836.
76 Wayne,	22 65	13 01	35 66	37 79	
77 White,					No return for any year.
78 Brown,					No returns for any year.
			$8,142 34	$5,265 59	

It will be seen by this table that the total amount of tax returned to the school commissioners books (as far as returns have been made to this office) is $8,142 34 to which may be added 50 per cent. as a penalty for non payment, making an aggregate of $12,213 51 exclusive of the accumulating interest at the rate of 100 per cent. per annum from date of return to school commissioners.

Of this tax and penalty the returns show that there has been paid to school commissioners in redemption of lands and lots the sum of $5,265 59.

But as the returns have been so partial and in many instances imperfect, it is fair to presume that not more than two thirds of the amount of tax, or redemption has been reported to this office.

STATEMENT No. 1,

Showing the amount of assessments for 1836 in each county, the deductions incident to the collection, amount due the Treasury, the amount paid, and balance due.

Names of counties.	Unlisted lands and polls.	Delinquents of former years.	Assessments of the foregoing.	Delinquents.	Commission.	Township Treasurer's receipts.	Five per cent. for schools.	County Orders.	Mileage.	Nett amount.	Cash received.	Balance due.	
Allen	$82 11		$926 20	$270 40	$59 02		$32 79		$12 40	$551 59	$498 00	$53 59	
Adams	75		40 54	3 00	3 37				10 40	23 77	23 77		
Bartholomew	4 62		1,152 91	54 35	98 87	17 12	53 00		2 52	927 05	927 05		
Boone	12 00		561 34	25 00	48 27		26 73		1 56	459 78	459 78		
Brown			77 24							77 24	76 00	1 24	
Clark	25 12		2,183 01	173 72	180 84		65 18		7 00	1,756 27	1,756 27		
Clay	3 29		327 67	20 65	27 68	15 06	15 38		3 93	245 60	245 60		
Crawford	2 28		387 23	16 20	33 39	22 37	17 82		7 00	290 45	230 45		
Carroll	52 90		811 93	41 29	69 36	41 62			4 20	655 46	555 46		
Cass	11 12		801 92	229 20	51 54	50 67	17 29		4 20	449 02	449 02		
Clinton	10 30		762 74	47 41	64 37	40 99			3 06	606 91	606 91		
Dearborn	4 02		3,103 89	201 92	250 80		144 92		5 40	2,497 85	2,226 85	271 00	
Decatur	7 33		1,461 91	74 83	124 83	106 37	70 07		3 00	1,082 81	1,082 81		
Daviess	18 35		700 99	52 98	58 32	57 87	32 10	96	6 72	491 74	491 74		
Dubois	13 10		232 15		20 89				7 70	203 56	203 56		
Delaware	4 11		637 12	35 24	54 16	45 62	29 18		3 36	469 56	469 56		
Elkhart	122 92		688 31	29 67		44 00	23 40	6 15	9 00	576 12			Since paid.
Fayette	14 91	11 25	2,168 43	82 91	187 69	142 37	94 32	11 62	3 36	1,646 16	1,646 16		
Floyd			1,702 15							1,702 15	960 20	471 95	
Franklin	31 43		1,996 46	148 29	166 33	140 25	92 40		1 20	1,444 99	1,444 99		
Fountain	33 17		1,842 01	110 71	155 81	126 62	86 50		6 00	1,356 37	1,356 37		
Fulton	11 10		96 20	10 99	7 67	4 50	4 12		5 58	63 34	63 34		
Gibson	23 65		1,088 06	19 03	96 21		53 45		8 70	910 67	910 67		
Greene	3 11		572 70	66 95	45 51	57 25	25 25		6 00	371 74	371 74		
Grant	18 07	3 25	286 32	18 50	23 51	10 84			4 76	222 21	222 21		
Hamilton	7 02		675 26	57 68	55 58		30 90		1 32	529 78	529 78		
Harrison	16 08		1,449 70	101 61	121 33	132 62	62 41	2 29	8 00	1,021 44	1,021 44		
Hendricks	19 51		1,323 97	80 71	111 89		62 16		1 80	1,067 41	1,067 41		
Henry	17 36		1,701 95	56 42	148 09	198 75	76 00	46 57	3 30	1,172 82	1,172 82		
Hancock	1 50		670 35	66 93	54 30	14 00	11 66		1 20	522 26	522 26		
Huntington	8 19		144 01	53 00	8 19				6 26	76 56	76 56		
Jackson	25 04		904 46	52 12	76 71	33 37	42 61		4 38	695 27	695 27		
Jefferson	15 21		2,708 08	185 50	227 03	132 00	124 25	64 00	5 04	2,033 62	2,033 62		
Jennings	8 92		711 78	37 66	51 54	60 82	34 18		3 90	523 55	523 55		
Johnson	5 47		1,074 48	44 47	92 70	82 62	51 50		1 20	801 99	801 99		
Jay													No return.
Knox	41 50		1,511 71	102 74	126 80			34	9 00	1,272 83	1,272 83		
Kosciusko			224 42	3 50	20 20		9 28		7 20	184 24	140 00	44 24	
Lawrence	9 29		1,421 76	65 34	122 17	130 25	67 82	1 00	11 62	1,023 66	1,023 66		
Lagrange	9 93		319 87	12 86	27 63		15 35		9 78	254 25	254 25		
Laporte	14 14		1,506 38	365 24	102 70	83 06	55 58		8 70	891 10	891 10		
Madison	45 08		770 70	51 33	64 74	60 75	35 96		2 70	555 22	555 22		
Marion	27 01		2,707 76	310 45	206 75		114 86			1,975 70	1,975 70		
Martin			266 07	11 56	23 94		11 81		6 00	224 32		224 22	
Monroe			1,135 18	130 02	90 46	116 98	48 33		3 12	746 27	746 27		
Montgomery	13 57	59 25	2,412 49	96 70	208 42		112 77	42 68	2 64	1,949 28	1,949 28		
Morgan	3 80		1,146 02	18 80	98 74	125 12	54 86	16 94	1 80	799 76	799 76		
Miami			285 96	88 27	17 79		9 89		5 28	164 73	140 11	24 62	
Marshall			139 83		12 58				9 04	118 21	118 21		
Noble			106 06	7 84	8 83				8 70	80 69	80 69		
Orange	56 21		1,025 00	67 73	86 15	3 00	47 86		6 00	814 29	814 29		
Owen	4 23		721 23	27 42	62 24	76 18	31 31		3 18	520 61	520 64		
Parke	19 07		1,716 11	41 06	150 75	187 63	83 75	2 21	4 50	1,246 21	1,246 21		
Perry			430 41		38 73				9 36	382 32	382 32		
Pike	8 20	3 37	434 55	12 14	38 01	16 62	20 12		8 40	339 26	339 26		
Posey	7 26		1,295 17	57 54	111 38	96 12	51 35		11 40	967 38	967 38		
Putnam	47 65		1,772 20	99 35	150 55	225 87	83 64	8 31	2 52	1,201 96	1,201 96		
Porter			189 03	18 00	15 39		8 55		9 90	137 19		137 19	Since paid.
Randolph	2 47	3 75	796 82	69 00	65 48			13 56	4 80	643 72	643 72		
Ripley	16 78		902 20	82 50	73 77	96 00	40 98		4 32	604 63	604 63		
Rush	41 06		2,590 08	80 41	225 88	210 37	125 48	11 03	2 52	1,934 39	1,934 39		
Scott	7 65		431 25	23 94	36 65	60 75	20 36	65	6 00	282 90	282 90		
Shelby	35 41		1,500 49	73 42	128 43	90 00	71 35	46 41	1 56	1,089 32	1,089 32		
Spencer	28 61		495 42	18 65	42 91				9 24	424 62	424 62		
Switzerland	18 02		1,381 67	82 69	116 90		55 09		6 00	1,120 99	1,120 99		
St. Joseph	45 14	78 00	1,017 69	179 61	75 37	45 52	41 87		8 16	666 46	666 46		
Sullivan	8 18		801 60	34 41	69 04	87 00	38 34		7 20	565 61	565 61		
Tippecanoe	45 55		2,270 58	83 49	196 03	125 75	109 33		3 78	1,752 20	1,752 20		
Union	18 98		1,545 12	61 75	133 50		67 28		4 20	1,278 39	1,278 39		
Vanderburgh													No return.
Vermillion	10 65		1,085 05	90 16	89 54		49 74		5 40	850 21	850 21		
Vigo													No return.
Warrick	8 19		520 23	23 55	44 70		23 58		9 60	418 80	418 80		
Washington	30 00		1,881 60	32 90	166 32	158 62	92 43	20 34	6 00	1,414 99	1,414 99		
Wayne	83 76		3,829 80	262 00	321 10	335 87	178 39		3 78	2,728 66	2,728 66		
Warren	75 45		989 07	57 31	83 85	72 50	40 20		4 80	730 38	730 38		
White										143 09	143 09		
Wabash			185 46	38 00	13 27				6 00	128 19	128 19		
	$1,413 91	$168 87	$79,385 13	$5,383 78	$6,219 47	$3,981 56	$3,206 78	$295 06	$102 62	$59,440 86	$58,079 90	$1,498 15	

STATEMENT No. 2

RECEIPTS AND EXPENDITURES DURING THE YEAR 1836.

RECEIPTS.

There was remaining in the Treasury on 1st January 1835			52,673 50
Received at Treasury for balance of Revenue for	1834	2 25	
" at treasury on ac't of rev. for	1835	1,559 91	
" " " "	1836	58,079 90	
			59,642 06
" from rents of State prison		1,400 00	
" from sales of Michigan road lands		17,241 63	
" from sales of lots in Indianapolis		1,467 05	
" interest on loans of Indianapolis fund		9 52	
" borrowers of Ind. funds refunded		136 00	
" from estates without heirs		586 94	
" on deposite, funds of congressional funds		438 06	
" from incidental payments		16 75	
			21,295 95
" commissioners of seminary lands		3,485 47	
" from borrowers of seminary funds refunded		6,243 55	
" for interest on loans of sem'ry fund		3 476 76	
			13,205 78
" from commissioners of saline lands		4,363 25	
" from borrowers of saline fund refunded		535 00	
" for interest on loans of saline funds		1,054 87	
" for sales of mortgaged lands		832 84	
			6,765 96
Total amount of receipts			$153,608 25
To the above add for outstanding warrant, viz:			
No. 2,044 Probate Judge		12 00	
" 2,068 State Prison		37 50	
" 2,071 Presidential Election Expenses		1 00	
" 2,147 Wolf Scalps		1 00	
			51 50
			$153,659 75

EXPENDITURES.

There has been expended since 1st January 1836, as follows:

For pay of members & expenses of legislature	19,073 68	
" public printing	6,860 55	
" specific appropriations	5,470 81	
" contingent expenses	1,062 99	
" wolf scalps	437 50	
" probate judges' compensation	2,671 50	
		35,577 03
" salary of executive officers	2,600 00	
" salary of President and Supreme Judges	7,708 95	
" salary of Prosecuting Attorneys	1,079 89	
" salary of Adjutant and Quarter-Master Generals	142 00	
" improvements around the State House	9,033 62	
" expenses of State Prison	1,605 55	
" additions to State Library	100 00	
		22,270 01
" audited expenses of Michigan Road	152 88	
" Michigan road scrip deposited (redeem'd)	17,241 63	
" Estates without heirs, refunded	278 04	
" expenses incident to presidential election of 1836	500 42	
" Congressional township funds transfer'd from Treasury books	988 06	
		19,161 03
" expenses of State College	3,734 83	
" loans of college funds	18,704 84	
" loans of saline funds	4,925 00	
" expenses of saline fund	82 55	
" expenses of seat of government	245 08	
		27,692 30
Total am't of expenditures audited from 1st Jan. 1836, to 1st Jan. 1837		104 700 37
There was outstanding warrants 1st January 1836, and paid this year		350 50
Am't of expenditures audited with outstanding warrants		105,050 87
Amount of cash on hand 1st January 1837		48,608 88
		$153,653 75

STATEMENT NO. 3.

LIST OF BALANCES DUE THE STATE FROM COLLECTORS FOR 1836.

COUNTIES.	1822	1823	1824	1825	1826	1827	1828	1831	1833	1834	1835	1836	
Allen					27 43							53 59	
Clark		565 06											
Clay									89 01				
Decatur							208 48						
Floyd	184 59	733 84											
Huntington										45 00	60 32	741 95	no settlement
Jackson	224 99					64 03							
Jefferson		33 74		70 18									
Madison						50 89							
Martin	203 92	217 19										224 32	
Pike								65 75					
Posey								27 87					
Scott			104 52		293 05	270 33	396 00						
Shelby				54 10									
Switzerland						303 83							
Brown												1 24	
Dearborn												271 00	
Kosciusko												44 24	
Miami												24 62	
Vigo													no return for 1836
Vanderburgh													no return for 1836
	613 50	1,549 85	104 52	124 28	329 48	708 08	511 48	93 62	89 01	45 00	60 32	1,360 96	

11.

H. R.

TUESDAY, JANUARY 3, 1837,

REPORT

OF THE

BOARD OF TRUSTEES OF HANOVER COLLEGE.

Read, referred to the Committee on Education, and ordered that 200 copies be printed.

Hanover College, December 14th, 1836.

To the General Assembly of the State of Indiana:

In compliance with the requisition of the charter of Hanover College, the Trustees beg leave to make the fourth report of the condition and prospects of the institution under their care.

The Board have every reason to be satisfied with the unusual degree of confidence manifested by the public in Hanover College. During the past year, the number of students has varied from one hundred and thirty to one hundred and seventy. The variation in numbers has been, principally, in the preparatory department of the institution.

Since our last report, our venerable president, the Rev. James Blythe D. D., has resigned; and the Board have elected, as his successor, the Rev. John Witherspoon D. D., L. L. D. of Camden, South Carolina, who has by letter notified them of his acceptance of the office, upon the duties of which he will enter sometime during the next summer.

The Faculty of the College now consists of the Rev. John Witherspoon D. D., L. L. D., president and professor of Mental and Moral philosophy and the evidences of Christianity. Rev. John Finley Crowe, D. D. vice president and professor of Logic, Rhetoric, History and Political Economy. John H. Harney, A. M., professor of Astronomy, Natural Philosophy, Chemistry and Geology. The Rev. M. H. Niles, A. M. professor of Ancient Languages. W. M. Dunn, A. M. professor of Mathematics. Charles K. Thompson, A. B. Principal of the preparatory department. Minard Sturgus, A. B. and Samuel H. Thompson, tutors.

Professor Niles is, at present, in the Eastern States, and his place is supplied by Mr. Noble Butler, A. B.

The College Library consists of about seventeen hundred volumes, exclusive of the libraries belonging to the Literary Societies, which together contain fourteen hundred and twenty volumes, making a total of three thousand, one hundred and twenty volumes. An apparatus, sufficient to exhibit the most important experiments required in a course of Natural Philosophy and Chemistry, has been procured. The course of instruction is as extensive, and, we believe, as thoroughly studied as in any institution in our country.

Apprised of the great demand that exists at present for engineers, in carrying on the internal improvements of the country, the Board have established a department for civil engineering, and surveying, where these sciences will be thoroughly taught, both theoretically and practically.

On the subject of manual labor, the Board have but little to add to their former reports. Their conviction of the practicability of connecting, advantageously, physical and mental culture, remains unshaken; although want of experience and want of means may, in many cases, lead to disappoinment. The attention of the students is, principally, directed to mechananical operations. A cooperage is succeeding very well; but the Board are sorry to state, that, through the failure of a business house in Cincinnati, a contract for furnishing employment to, at least fifty students, in printing and book binding, has entirely failed. Arrangements are being made to give employment to some extent in horticulture.

In conclusion, the Trustees are happy to find that their efforts in the cause of education have met with the approbation of the public; and they are resolved that no efforts of theirs shall be wanting to merit the confidence reposed in them.

All of which is respectfully submitted.

JOHN F. CROWE, Sec'y B. T. H. C.

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H. R.

SATURDAY, JANUARY 7, 1837.

REPORT

OF THE

STATE BOARD OF INTERNAL IMPROVEMENT.

Referred to the Committee of Ways and Means, and 5000 copies ordered to be printed.

REPORT.

To the House of Representatives:

In obedience to a resolution of the House of Representatives of the 28th ultimo, and another of the 5th instant, the former requesting the State Board of Internal Improvement to lay before the House "a statement of the amount that will be required to pay the interest yearly, on all loans, that will be required to be made, in order to complete the works authorized by the act of Internal Improvement of January 1836, until the time said works are completed"—and the latter to "furnish the House with a Statement showing the probable means that have or may be provided, for the payment of the interest on the loans that have been or may hereafter be contracted for the construction of the public works now authorized in this State"—the following financial statement is respectfully submitted.

The Board will premise in relation to the requirement of the resolution as to the provisions which *have been* made for the payment of interest, that no means have been provided specifically for that purpose, on loans authorized by the act of January 1836.

The Wabash and Erie Canal above the mouth of Tippecanoe river stands upon a different basis from other works of Improvement, on account of the grant of lands for that work. It may be assumed, that this work will create a debt of $500,000, in addition to the proceeds of the land—the annual interest upon which at 5 per cent. will be $25,000.

1837.

Interest on Wabash and Erie Canal debt as above,	$25,000
This year there may be expended on the public works $1,000,000, but as this expenditure will be distributed, throughout the whole year, it will be safe to suppose, that only a half years interest on this sum will be required this year, which at 5 per cent. is	25,000
Total demand upon the state for 1837.	$50.000

1838.

Interest on Wabash and Erie Canal debt as above,	$25,000
do. on $1,000,000 expended in 1837 at 5 per cent.	50,000
This year the expenditure may amount to $1,100,000, a half year's interest on which at 6 per cent. is	33.000
Total demand upon the State for 1838,	$108,000

1839.

Interest on Wabash and Erie Canal debt as before,	$25,000
do. on $1,000,000, expended in 1837 at 5 per cent. is	50,000
do. on $1,100,000 expended in 1838 at 6 per cent. is	66.000
This year, there may be expended $1,200,000, 6 months interest on which at 6 per cent. is	36,000
Total demand for 1839,	$177,000

During the year 1839, some portions of the several works will be put in operation, though no revenue should be expected after making the necessary repairs.

1840.

Interest on the Wabash and Erie Canal debt as before,	$25,000
do. on the $1,000,000 expended in 1837 at 5 per cent. is	50,000
do. on the $1,100,000 expended in 1838 at 6 per cent is	66,000
do. on the $1,200,000 expended in 1839 at 6 per cent is	72,000
This year there may be expended $1,300,000, 6 months interest on which at 6 per cent is,	39,000
	$252,000

By the close of this year the Wabash and Erie Canal, will be completed from Lafayette to the Lake, the White Water Canal from the Ohio to Fayette county. The Madison road to Bartholomew county, together with portions of the New Albany and Vincennes Road, the

Bloomington road, and the Central and Cross Cut Canals. The people of the state will realize much benefit, from these works during this year, yet as they will be new, it cannot be supposed that they will nett a very large sum after paying the expenses of repairs. It may be safe to estimate the profits at,	$15,000
Total demand on the State for 1840,	$237,000

1841.

Interest on the Wabash and Erie Canal debt as before,	$25,000
do. on $1,000,000 disbursed in 1837 at 5 per cent.	50,000
do. on 1,100,000 disbursed in 1838 at 6 per cent.	66,000
do. on 1,200,000 disbursed in 1839 at 6 per cent.	72,000
do. on 1,300,000 disbursed in 1840 at 6 per cent.	78,000
During this year there may be expended $1,400,000, 6 months interest on which, at 6 per cent is,	42,000
	$333,000
It is supposed that the Wabash and Erie Canal to Lafayette, the White Water Canal to Connersville and the Central Canal from Evansville to Green county, and also a portion of the same North of Indianapolis will be navigable during the whole of this year, and that from these and other works, a nett revenue may be derived of,	$80,000
Total amount to be provided for 1841,	$253,000

1842.

Interest on Wabash and Erie Canal debt as before,	$25
do. on $1,000,000 expended in 1837, at 5 per cent. is	5
do. on 1,100,000 expended in 1838, at 6 per cent. is	66,
do. on 1,200,000 expended in 1839, at 6 per cent. is	72,
do. on 1,300,000 expended in 1840, at 6 per cent. is	78,
do. on 1,400,000 expended in 1841, at 6 per cent. is	84,
Expenditure during this year say $1,500,000, 6 months interest on which at 6 per cent. is	4
	$
During this year additional portions of the public works, will come into use, from the whole of which, a nett revenue may be derived of say	120,000
Total to be provided for in 1842	$300,000

1843.

Interest on Wabash and Erie Canal debt as before,	$25,000
do. on $1,000,000 expended in 1837 at 5 per cent. is	50,000
do. on 1,100,000 expended in 1838 at 6 per cent. is	66,000
do. on 1,200,000 expended in 1839 at 6 per cent. is	72,000
do. on 1,300,000 expended in 1840 at 6 per cent. is	78,000
do. on 1,400,000 expended in 1841 at 6 per cent. is	84,000
do. on 1,500,000 expended in 1842 at 6 per cent. is	90,000
Expended this year $1,600,000, interest for 6 months at 6 per cent. is	48,000
	$513,000
Tolls and water rents received this year after deducting all expenses	150,000
Total to be provided this year	$363,000

1844.

Interest on Wabash and Erie Canal debt as before	$25,000
do. on $1,000,000 expended in 1837 at 5 per cent. is	50,000
do. on 1,100,000 expended in 1838 at 6 per cent. is	66,000
do. on 1,200,000 expended in 1839 at 6 per cent. is	72,000
do. on 1,300,000 expended in 1840 at 6 per cent. is	78,000
do. on 1,400,000 expended in 1841 at 6 per cent. is	84,000
do. on 1,500,000 expended in 1842 at 6 per cent. is	90,000
do. on 1,600,000 expended in 1843 at 6 per cent. is	96,000
Expended this year $1,700,000, 6 months interest on which at 6 per cent is	51,000
	$612,000
Tolls and water rents received this year after deducting all expenses,	187,500
Total to be provided for this year	$424,500

1845.

Interest on Wabash and Erie Canal debt at 5 per cent is	$25,000
do. on $1,000,000 expended in 1837 at 5 per cent. is	50,000
do. on 1,100,000 expended in 1838 at 6 per cent. is	66,000
do. on 1,200,000 expended in 1839 at 6 per cent. is	72,000
do. on 1,300,000 expended in 1840 at 6 per cent. is	78,000
do. on 1,400,000 expended in 1841 at 6 per cent. is	84,000
do. on 1,500,000 expended in 1842 at 6 per cent. is	90,000
do. on 1,600,000 expended in 1843 at 6 per cent. is	96,000

do. on 1,700,000 expended in 1844 at 6 per cent. is	102,000
Expended $1,800,000 this year, 6 months interest on which at 6 per cent is	54,000
	$717,000
Nett tolls received this year	234,375
Total to be provided this year	$482,625

1846.

Interest on Wabash and Erie Canal debt as before	$25,000
do. on $1,000,000 expended in 1837 at 5 per cent. is	50,000
do. on 1,100,000 expended in 1838 at 6 per cent. is	66,000
do. on 1,200,000 expended in 1839 at 6 per cent. is	72,000
do. on 1,300,000 expended in 1840 at 6 per cent. is	78,000
do. on 1,400,000 expended in 1841 at 6 per cent. is	84,000
do. on 1,500,000 expended in 1842 at 6 per cent. is	90,000
do. on 1,600,000 expended in 1843 at 6 per cent. is	96,000
do. on 1,700,000 expended in 1844 at 6 per cent. is	102,000
do. on 1,800,000 expended in 1845 at 6 per cent. is	108,000
Expended $1,900,000 in 1846, 6 months interest, at 6 per cent. is	57,000
	$828,000
Nett tolls received this year	292,968
Total to be provided this year,	$535,032

1847.

Interest on Wabash and Erie Canal debt as before	$25,000
do. on $1,000,000 expended in 1837 at 5 per cent. is	50,000
do. on 1,100,000 expended in 1838 at 6 per cent. is	66,000
do. on 1,200,000 expended in 1839 at 6 per cent. is	72,000
do. on 1,300,000 expended in 1840 at 6 per cent. is	78,000
do. on 1,400,000 expended in 1841 at 6 per cent. is	84,000
do. on 1,500,000 expended in 1842 at 6 per cent. is	90,000
do. on 1,600,000 expended in 1843 at 6 per cent. is	96,000
do. on 1,700,000 expended in 1844 at 6 per cent. is	102,000
do. on 1,800,000 expended in 1845 at 6 per cent. is	108,000
do. on 1,900,000 expended in 1846 at 6 per cent. is	114,000
Expended $2,000,000 for the year 1847, 6 months interest, on which is	60,000
	$945,000
Nett tolls and water rents received this year	366,210
Total to be provided this year	$578,790

1848.

Interest on Wabash and Erie Canal debt as before	$25,000
do. on $1,000,000 expended in 1837 at 5 per cent. is	50,000
do. on 1,100,000 expended in 1838 at 6 per cent. is	66,000
do. on 1,200,000 expended in 1839 at 6 per cent. is	72,000
do. on 1,300,000 expended in 1840 at 6 per cent. is	78,000
do. on 1,400,000 expended in 1841 at 6 per cent. is	84,000
do. on 1,500,000 expended in 1842 at 6 per cent. is	90,000
do. on 1,600,000 expended in 1843 at 6 per cent. is	96,000
do. on 1,700,000 expended in 1844 at 6 per cent. is	102,000
do. on 1,800,000 expended in 1845 at 6 per cent. is	108,000
do. on 1,900,000 expended in 1846 at 6 per cent. is	114,000
do. on 2,000,000 expended in 1847 at 6 per cent. is	120,000
Expended $2,100,000 in 1848, 6 months interest, at 6 per cent. is	63,000
	$1,068,000
Nett tolls and water rents received this year,	457,762
Total to be provided this year,	$610,238

The probable receipt of tolls, water rents, &c. have been estimated at an annual increase of 25 per cent. after the year 1842. The aggregate amount of loans provided for in this computation, will it is supposed, be sufficient to complete all the works authorized by law.

In estimating the means within the control of the Legislature at the present time, the first that presents itself, is the deposite of the surplus revenue of the General Government, made with the state, by a late act of Congress, which it is believed may be estimated at $1,500,000. This fund if disposed of in the most profitable manner, may yield an annual income of 9 per cent. equal to $135,000, after deducting the attendant expenses.

The valuation of taxable property made in 1836, amounts, according to a statement received from the auditor of state, to about $78,000,000. But the wealth of a country like this is not stationary. The progress of our system of improvement, will give impulse to business of every kind, and will cause an influx of wealth from abroad, which by being employd in manufactures and other operations, will increase the commerce of the country, and add greatly to our taxable means. Besides this, large portions of lands previously exempted from taxation will be annually added to our tax list. Under the influence of all these causes, it is probable that, if the present rule of assessment be continued, there will be an average annual increase of 15 per cent. in the valuation of taxable property. Should this be the case, and the Legislature think proper at this time to levy a tax of 5 cents on each hundred dollars, to be pledged specifically to the Internal improvement fund, for the payment of interest, a considerable revenue may be received from this source.

The annual revenue from both these sources may be estimated as follows, viz:

1837.

The proceeds of the surplus revenue this year may be	$67,500
Total valuation of taxable property $89,700,000 which at the rate of 5 cents on the hundred dollars will produce	44,850
Total available means,	$112,350
Total demand for 1837 as shown by foregoing estimate,	50,000
Excess applicable to future demands,	$62,350

1838.

The excess of the last year may be added to the surplus revenue fund, and loaned upon the same terms, making the total $1,562,350 upon which the state may receive, an annual interest of 9 per cent as before which gives	$140,612
Total valuation $103,155,000, which at the 5 cents taxation on $100, gives	51,577
Total available means,	$192,189
Total demand for this year is by foregoing estimate,	108,000
Excess applicable to future demands,	$84,189

1839.

Surplus Revenue fund this year including the above excess will be $1,646,539, which at 9 per cent. is	$148,189
Total valuation $118,628,250, which at same taxation gives	59,314
Total available means	$207,503
Total demand this year, as appears by foregoing estimate	177,000
Excess, applicable to future demands	$30,503

1840.

Surplus Revenue fund at interest this year including the above excess will be $1,677,042, which at 9 per cent. gives	$150,934
Total valuation $136,422,487 at 5 cents on the $100	68,211
Total available means	$219,145

Total demand as appears by foregoing estimate	237,000
Showing a deficit this year of	$17,855

Which must be made up by withdrawing from the surplus revenue fund an equal amount of the excess heretofore added to that fund, unless the state at that time shall have other resources.

1841.

Surplus revenue at interest this year after making the above deduction $1,659,187, which at 9 per cent. is	$149,327
Total valuation $156,885,800, at 5 cents on $100 gives	78,443
Total available means	$227,770
Total demand for this year, as appears by foregoing estimate	253,000
Showing a deficit this year of	$25,230

Which must be made up by a further withdrawal of an equal amount, from the excesses heretofore added to the surplus revenue fund.

1842.

Surplus revenue fund this year at interest after making the requisite deductions is $1,633,957 at 9 per cent.	$147,056
Total valuation $180,418,740, at a taxation of 5 cents on the $100.	90,209
Total available means	$237,265
Total demand this year, as shown by foregoing statement	300,000
Shewing a deficit of	$62,735

Which must be provided for by a furthur withdrawal of an equal amount of the excess, hertofore added to the surplus revenue fund.

1843.

Surplus revenue fund this year at interest after making the above deductions $1,571,222, which at 9 per cent. interest gives	$141,410
Tatal valuation $207,481,551, which at 10 cents taxation on the $100, gives	207,482
Total available means	$348,892

Total demand this year as above shown, in foregoing estimate	363,000
Shewing a deficit this year of	$14,108

1844.

Surplus revenue fund this year at interest after deducting the last deficit is $1,557,113, which at 9 per cent. interest gives	$140,140
Total valuation $238,603,783, which at 10 cents per $100 is	238,604
Total available means	$378,744
Total demand this year as shown by foregoing estimate	424,500
Shewing a deficit this year of	45,756

1845.

Surplus revenue fund this year at interest after deducting the deficit $1,511,357, which at 9 per cent is	$136,022
Total valuation $274,394,350, which at 12½ cents on the $100 gives	342,993
Total available means	$479,015
Total demand for this year, as by foregoing statement	482,625
Shewing a deficit for 1845 of	$3,610

1846.

Surplus revenue fund at interest this year, after deducting the last deficit is $1,507,747, which at 9 per cent. is	$135,697
Total valuation $315,553,502, which at 12½ cents on $100 gives	394,442
Total available means	$530,139
Total demand this year as per foregoing estimate	535,032
Deficit for 1846	$4,893

1847.

Surplus revenue fund at interest after deducting the last deficit is $1,502,854, which at 9 per cent. is	$135,257
Total valuation $362,886,527, which at 12½ cents on the $100 gives	453,608

Total available means	$588,865
Total demand, as per foregoing estimate	578,790
Excess applicable to future demands	$10,075

1848.

Surplus revenue fund at interest after adding the last excess is $1,512,930 which at 9 per cent. gives	$136,164
Total valuation $417,319,506 which at 12½ cents on the $100, gives	521,649
Total available means	$657,813
Total demand, this year as per foregoing statement	610,238
Shewing an Excess this year of	$47,575

The foregoing estimate of future demands and of the resources of the state to meet these demands, is necessarily in some degree hypothetical in its character, and it is therefore presented with much deference.

This remark is especially true in respect to the assumed increase in the wealth of the state, and on this account, the Board have deemed it proper, in compliance more fully with the resolution, to submit a computation based upon a different rate of increase, leaving the Legislature to determine which is most likely to be realized so far as their action may be based upon this report. Should the average annual increase in the valuation of taxable property prove to be but 10 per cent, which is doubtless a safe estimate, (the other elements of the calculation, remaining the same as before) the rate of taxation required in that case may be seen by the following computation.

1837.

The proceeds of the surplus revenue this year may be	$67,500
Total valuation for this year $85,800,000, which at the rate of 5 cents on the hundred dollars will give	42,900
Total available means	$110,400
Demand, as shown by foregoing estimate	50,000
Excess applicable to future demands which may be added to the surplus revenue fund.	$60,400

1838.

Surplus revenue fund this year after adding the above excess is $1,560,400 which at 9 per cent gives	$140,436

Total valuation $94,380,000, at 5 cents on the $100 is	90,147
Available means	$187,626
Demand as before shown	108,000
Excess applicable to future demands	$79,626

1839.

Surplus revenue fund including last year's excess will be $1,640,026 which at 9 per cent gives	$147,602
Total valuation $103,818,000 at 5 cents on $100 is	51,909
Available means	$199,511
Demand as before shown	177,000
Excess applicable to future demands	$22,511

1840.

Surplus revenue, including last year's excess is $1,662,537 which at 9 per cent. gives	$149,628
Total valuation $114,199,800 at 10 cents on the $100, is	114,200
Available means	$263,828
Demand as before shown	237,000
Excess applicable to future demands	$26,828

1841.

Surplus revenue, including last year's excess is $1,689,365 which at 9 per cent. gives	$152,042
Total valuation $125,619,780 at 10 cents on $100	125,620
Available means	$277,662
Demand as before shown	253,000
Excess applicable to future demands	$24,662

1842.

Surplus revenue, including last years' excess is $1 714,027 which at 9 per cent. gives	$154,262
Total valuation $138,181,758, at 10 cents on $100 is	138,180
Available means	$292,442
Demand as before shown	300,000

Deficit	$7,558

Which may be made up by a withdrawal of an equal amount from surplus revenue fund, of the excess as heretofore added.

1843.

Surplus revenue after deducting last years' deficit is $1,706,469, which at 9 per cent. gives	$153,583
Total valuation $151,999,933, which at 10 cents on the $100, is	152,000
Available means	$305,583
Demand as before shown.	363,000
Deficit	$57,417

Which may be made up by a withdrawel from the surplus revenue fund.

1844.

Surplus revenue after deducting last years' deficit $1,649,052, at 9 per cent. is	$148,414
Total valuation $167,199,926, at 15 cents on $100, is	250,800
Available means	$399,214
Demand as before shown	424,500
Deficit to be made up as before	$25,286

1845.

Surplus revenue after deducting last years' deficit is $1,623,766, which at 9 per cent. gives	$146,138
Total valuation is $183,919,918 at 15 cents on $100, is	275,878
Available means	$422,016
Demand as shown by foregoing estimate	482,625
Deficit to be made up as before	$60,609

1846.

Surplus revenue after deducting last years' deficit is $1,563,157, which at 9 per cent. gives	$140,694
Total valuation $202,311,909 at 19 cents on $100, is	384,393

Available means	$525,087
Demand as before shown	535,032
Deficit	$9,945

1847.

Surplus revenue after deducting last year's deficit is $1,553,212, at 9 per cent. gives	$139,790
Total valuation $222,543,100, at 19 cents on $100 is	422,832
Available means	$562,622
Demand as before shown	578,790
Deficit	$16,168

1848.

Surplus revenue after deducting last year's deficit is $1,537,044 at 9 per cent gives	$138,334
Total valuation $244,797,408 at 19 cents on $100 is	465,115
Available means	$603,449
Demand as before shown	610,238
Deficit	$6,789

If the nett proceeds of the surplus revenue be but 8 per cent. and the annual increase in the value of taxable property be estimated at 10 per cent. the levy required in that case, on each hundred dollars, to meet the yearly demands upon the treasury as here stated, will be as follows, viz: for the years 1837, 1838 and 1839, five cents; for 1840 and 1841; ten cents; for 1842 and 1843 fifteen cents; and for 1844, 1845, 1846, 1847 and 1848 eighteen cents.

The Board will now beg leave to remark, that if it should not be the pleasure of the Legislature, to apply the proceeds of the surplus revenue paid over by the General Government, to meet the interest that will from year to year fall due on the money borrowed to construct the public works, the necessity of increasing considerably the rates of taxation is very evident. But it should be borne in mind, that if the latter should be the destiny of the system, the tax upon the ad valorem principle now adopted, will fall heaviest upon those who are the most benefitted by the system. The citizen who has property on or near a line of the public work, may be required to pay from 5 to 10 times as much tax as he that lives removed from it, but he is rendered able to do so, in the same proportion, by the increased price which his land and the produce of it will command. As however, inporving additional taxes, is generally an unpleasant duty, it is presumed that the members of the General Assembly will be predisposed to adopt some expedient which will avoid onerous taxation, and at the same time sustain the system and with it the credit and reputation of the state.

Respecfully submitted,

J. B. JOHNSON, THO. H. BLAKE.	Committee of Board of Internal Improvement.

Indianapolis, Jan. 7th, 1837.

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H. R.

SATURDAY, JANUARY 7, 1837.

REPORT

OF

MR. R. H. FAUNTLEROY, CIVIL ENGINEER.

Read, referred to the Committee on Canals and Internal Improvements and ordered that 200 copies be printed.

Indianapolis, January 6th, 1837.

To the General Assembly of the State of Indiana:

By an act passed at the last session of the Legislature, it was ordered that a survey should be made, with the view to a turnpike road, from Mount Vernon, via. New Harmony, and Cynthiana, to Princeton. Having performed that service, by authority from the Governor, I beg leave to present to you the following result of my labours.

Previous to an examination of the country, it became a matter for consideration, what character of ground would be the best suited for a work of the intended description.

A short deliberation upon this subject, resulted in the conviction, that a country, gently undulating, would be the most eligible. The propriety of occupying ground of this description appears evident, from the greater facility with which the road could be drained, as well as from the well known fact, that animal power is better sustained than upon a level road.

Having given the country a general examination, previous to commencing the survey, the following route was selected as being the most eligible.

Commencing at the northern boundary of the town of Mount Vernon, the route as surveyed passes over a gently undulating country to a point on Big Creek, near Black's mill, occasionally occupying the middle road from Mount Vernon to Harmony. From this point the route passes over a country, somewhat broken by small streams, tributary to Big Creek, to the summit of the ridge dividing that stream from Rush Creek; following a direction in the neighborhood of the state road, already mentioned. From the latter point the route diverges from the road, and pursues a course more towards Harmony; crossing Rush Creek in a suitable direction to occupy a spur of the ridge between that stream and the Wabash river, which leads well in the course towards Harmony. On crossing this ridge, the route descends to the bottom land of the Wabash, occupying the face of a ridge projecting from the high grounds, and enters Main street of the town of Harmony.

On leaving Harmony, the route follows the Princeton road to the high grounds, bounding the valley of the Wabash; thence it takes a direction along the northern face of the ridge dividing Rush and Big Creek, on the south, from Black River, on the north, and reaches the town of Cynthiana, at the entrance of the state road.

From Cynthiana, the route traverses a ridge country, dividing Big Creek, and the waters of Pigeon Creek, on the east, from the waters of Black river, and the Potoka river, on the west, to the summit of the ridge dividing the clear fork of Pigeon from Richland Creek, at a point near the residence of J. Maclure; thence it takes a direct course to the town of Princeton, and enters the same at right angles to the present road.

The whole distance from Mount Vernon to Princeton, as surveyed, is 42.03 miles; and is divided into three divisions: the first, extending from Mount Vernon to New Harmony; the second, from New Harmony to Cynthiana; and the third, from Cynthiana to Princeton.

The following statement will exhibit the length of each division, the average cost per mile, and the total cost of the same, also the whole distance from Mount Vernon to Princeton, the average cost per mile, and the aggregate cost of the whole.

1st Division 14.39 miles at $4,715 14 per mile—$67,850 90
2d Division 13.33 miles at 3,346 98 per mile——44,615 20
3d Division 14.31 miles at 2,877 98 per mile——41,184 00

Total distance 42.03 miles at $3,655 72 per mile $153,650 10

The above estimates contemplate a graduated surface of thirty feet n width, on the whole line of the road. The bridges, estimated for, are of a platform character, with the exception of that across Big Creek, which will require a bridge of 100 feet span. The plan estimated for in this instance is of the best description of wooden arched bridges.

Respectfully submitted.

R. H. FAUNTLEROY, Civil Engineer.

H. R.

THURSDAY, JANUARY 12, 1837.

REPORT

OF THE

CANAL FUND COMMISSIONERS.

Read, referred to the Committee on Canal Fund and 300 copies ordered to be printed.

Indianapolis, January 11, 1837.

THE SPEAKER

OF THE HOUSE OF REPRESENTATIVES,

SIR:

Please to lay the enclosed Reports before the Honorable Body over which you preside.

In behalf of the
Commissioners of the Canal Fund
ISAAC COE, Sec'y

Office of the Canal Fund Commissioners,
Indianapolis, January 10th, 1837.

To the General Assembly of the State of Indiana:

The Commissioners of the Canal Fund having completed the settlement of the accounts of the Board of Internal Improvement (as far as rendered) for expenditures to the 1st of December last and of other accounts to the 31st, now present to your Honorable Body as required by law, the result of the settlement; a statement of the *Wabash and*

Erie Canal Fund and an account of the receipts and disbursements, during the past year and from the commencement of the work.

There was on hand at the date of the last report January 23d last, '36		$285,892 54
Since which there has been received—		
Amount State Bonds sold,		241,742 58
For premium thereon,		1,581 98
For interest on deposits and discount for prompt pay on 1 draft one time,		8,771 92
For interest on State Bonds after date, before delivery, sold last year,		2,034 83
For sale of 2 yoke oxen by J. B. Johnson $90, trespass on Canals $18,		108 00
From sale and payment of interest on Canal Lands,		53,184 23
		$593,316 08
And there has been paid out—		
To Contractors on Wabash and Erie Canal,	$290,357,58	
For contingent expenses on the line,	16,155,99	306,513 57
For expenses of canal land office,		1,079 73
For Fund Commissioners per diem and expenses,	$1,723,92	
For their expenditures for printing bonds, clerk hire, office rent, fuel, candles, postage &c.	331,38½	2,055 30½
For Auditor's salary, $150, Jailors fees by law $67,		217 00
For 1 years' interest on $100,000—six per cent. bonds,	6,000	
For 1 years interest on $605,257 42, five per cent.	$30,262,88	36,262 88
To Gov. Noble on account last years' survey of Rail Roads,		4,100 00
And there is on hand and due—		
From John Scott former canal commissioner,	$451 75	
From Board of Internal Improvement,	19,976 78	
From Internal Improvement Fund,	10,855 60	
From State Bank,	1,477 96	
From Merchants Bank New York on deposit,	21,932 95	
From Morris Canal and Banking Company New York,	140,390 00	
From J. J. Cohen Jr. and Brothers, Bankers Baltimore,	9,183 33	

From Indianapolis Branch Bank, deposited in December by Burr and Lewis,	11,565 35	
From Fort Wayne Branch Bank deposited by S. Lewis 24th November, -	27,253 87	243,087 59½
		$593,316 08

There has been received since the commencement of the work,	
From the Road and Canal Fund per act of 1828,	1,892 45
From the amount of proceeds of Canal Lands after deducting expenses,	221,350 32
From amount of State Bonds sold for Wabash and Erie Canal Fund,	947,000 00
From premium thereon and interest on deposit, after deducting for temporary loans	58,604 04
From trespass on Canal,	30 00
	1,228,876 81
And there has been paid out—	
On account of Wabash and Erie Canal including contingent expenses of Canal Commissioners and Fund Commissioners and deducting amount received for sale of 2 yoke of oxen,	892,196 76½
For interest on State Bonds,	54,828 96
For Rail Road surveys,	22,653 50
For survey of Whitewater Canal,	991 81
For survey of Central Canal,	10,630 62
For survey of continuation of Wabash and Erie Canal west of Tippecanoe,	4,487 56
And there is on hand and due fund as before named,	243,087 59½
	1,228,876 81

And there remains to be loaned under the Internal Improvement act of last session for the Wabash and Erie Canal fund, $380,000 00

Of the $21,932 95 on deposit at the Merchants Bank the 31st December, $20,700 00 were repuired the 1st inst. to pay 6 months interest on $808,000, State Bonds payble at that place, of which $190,000, are at 6 per cent. interest, leaving the balance on hand $222,387 59½.

The interest on the remaining $139,000 payable at the Bank of the Morris Canal and Banking Company, will be a little more than provided for by the interest on that sum and the premium, from the 1st July last at the same rate of interest as the bonds draw.

All which is very respectfully submitted, by order of the Board,

ISAAC COE, Sec'y.

Office of the Canal Fund Commissioners,
Indianapolis, January 10th 1837.

To the General Assembly of the State of Indiana:

The Canal Fund Commissioners having completed the settlement of the accounts of the Board of Internal Improvement as far as rendered for their expenditures up to the 1st December last: and of other accounts to the 31st, now as required by law report to your Honorable Body, the result of that settlement, as relates to the *Internal Improvement Fund*, the state of that Fund and the receipts and disbursements made on account thereof.

There has been received on account of the Internal Improvement Fund—		
For amount of State Bonds sold,		$850.000 00
For 1 per cent premium on $450,000,		4,500 00
For interest on Deposit at Cohen's Bank to 1st Nov.		7,199 85
Of Wabash and Erie Canal Fund, expended by Board of Internal Improvement on works of this fund,		10,855 60
Of Indianapolis Branch Bank to be repaid by draft on New York,		2,509 41
		$875,064 86
And there has been paid out—		
To Evansville Branch Bank for temporary loan of $14,000 at 5 per cent.		203 24
To Board Internal Improvement,		
For expenditures on White Water Canal,	4,644 97	
For Expenditures on Central Canal,	21,567,15½	
For expenditures on continuation of Wabash and Erie Canal,	6,259 31¼	
For expenditure on Cross Cut Canal,	3,145 66	
For expenditure on Fort Wayne and Michigan Canal,	2,691 76¼	
For expenditure on Madison and Lafayette Rail Road,	13,439 57¾	
For expenditure on Jeffersonville and Crawfordsville Road,	3,866 02	
For expenditures on New Albany and Vincennes Road,	4,21 84½	
General Contingent expences of Board of Internal Improvement,	2,326 75	
		63,203 61¼
General expenditures of Fund Commissioners in making loans,		40 80
And there is on hand,		
In the hands of Board of Internal Improve-		

ment,	12,645 64¾	
Deposited in Merchants Bank New York,	10,000 00	
In Bank of Morris Canal and Banking Co.	444,500 00	
In Bank of J. J. Cohen Jr. and Brothers, Baltimore,	344,472 11	811,617 74¾
		$875,064 86

The $10,000 in Merchants Bank of New York was placed there by draft in its favor payable the 1st inst. to meet that amount of interest due there that day on $400,000 State Bonds sold the Messrs. Cohens, which will reduce the amount on hand to $801,617,75¾.

The interest due the 1st inst. on $450,000 State Bonds sold Thos. Biddle and Co., and the Morris Canal and Banking Co's Bank, is something more than provided for by the interest accruing on both, the amount of the Bond and the premium $454,500 which leaves the same interest as the bonds from 1st July last, and from which only $10,000 have been drawn near the last of December.

All which is Respectfully
Submitted,
By order of the Board,
ISAAC COE, Sec'y.

Office of the Canal Fund Commissioners,
Indianapolis, January 11th, 1837.

Speaker of the House of Representatives of
the General Assembly of the State of Indiana,

I have noticed in a newspaper a resolution of the Honourable Body over which you preside, requesting the Commissioners of the Canal Fund, to report to the House a tabular statement of all sums of money by them at any time borrowed in the name of the state—of whom borrowed—exhibiting the amount, and dates of the loans, for what purposes they were effected and how the amount expended has been applied.

In compliance with which (my colleagues being absent) I transmit in behalf of the Board the following statement:

Date of Contracts.		Of whom Loaned.	Amount of State Bonds.	Rate of Interest.	Premium per cent.	Amount Received.
		For Wabash and Erie Canal,				
August,	1832	J. D. Beers and Co.	$100,000 00	6	13.26	$113,260 00
Feb'y,	1835	Prime, Ward, and King,	300,000 00	5	2.05	306,150 00
April,	1835	Secretary of War,	65,257 42	5	7	69,825 44
August,	1835	J. J. Cohen Jr. and Brothers,	200,000 00	5	5	210,000 00
Sept.	1835	Prime, Ward and King,	40,000 00	5	5	42,000 00
July,	1836	Secretary of War,	2,742 58	5	7	2,934 56
June,	1836	J. J. Cohen Jr. and Brothers,	100,000 00	5	Par.	100,000 00
July,	1836	Thos. Biddle and Co. and Morris Canal and Banking Company,	139,000 00	5	1	140,390 00
			$947,000 00			$984,560 00
		For State Bank.				
August,	1834	Prime, Ward and King,	500,000 00	5	1.05	505,250 00
August,	1835	J. J. Cohen Jr. and Brothers,	400,000 00	5	4½	418,000 00
Sept.	1835	Prime, Ward and King,	50,000 00	5	4½	52,250 00
July,	1836	Thos. Biddle and Co., and Morris Canal and Banking Company,	440,000 00	5	1	444,400 00
			$1,390,000 00			$1,419,900 00
		Internal Improvement Loan.				
June,	1836	J. J. Cohen and Brothers,	400,000 00	5	Par.	400,000 00

July,	1836	Thos. Biddle and Co. and Morris Canal and Banking Company,	450,000 00	5	1	454,500 00
			$850,000 00			$854,500 00
		Whole amount,	$3,187,000 00			$3,258,960 00

The loans made for the State Bank have been paid over for its use, and the annual reports of the situation of the Wabash and Erie Canal and Internal Improvement Funds show in what manner the loans made for these objects have been expended.

All which in behalf of the
Fund Commissioners is
Respectfully submitted,
ISAAC COE, Sec'y.

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H. R.

THURSAY, JANUARY 19, 1837.

REPORT

OF THE

PRINCIPAL ENGINEER ON ROADS AND RAILWAYS.

Read, laid on the table and 300 copies to be printed.

OFFICE STATE BOARD INTERNAL IMPROVEMENT,
Indianapolis, 17th January, 1837.

The Hon. the House of Representatives:

As promised in a previous communication, the Report of the Principal Engineer on Roads and Railways, this day received, is laid before the House of Representatives, accompanied by abstracts, showing the quantities and cost of the work under contract, at present contract prices, and the average cost per mile, on the Madison and Lafayette Rail Road,--the New Albany and Vincennes M'Adamized Road, and the Jeffersonville and Crawfordsville Road.

In the absence of the other members of the Board, the undersigned has taken the liberty, in this particular, to act in their behalf.

Very Respectfully,

THOMAS H. BLAKE,
Of the State Board of Internal Improvement.

To Doct. D. H. Maxwell,

President of the Board of Internal Improvement:

Sir—In compliance with the duties devolving on me, as the Principal Engineer for Rail Ways and Roads, in the State of Indiana, I beg leave to submit the following report, premising however, that the late period of my entrance into the service of the State, must necessarily prevent me from entering into such details in regard to the works entrusted to my charge as would have been done, had I been longer with you.

The works over which I have charge and now in progress, are the Madison and Lafayette Rail Road—the Jeffersonville and Crawfordsville road, and the New Albany and Vincennes M'Adamized Road. Permit me to present you my views on each of the above named improvements, in the order named.

OF THE MADISON AND LAFAYETTE RAIL ROAD.

The location of the 1st and 2d divisions of this road was made and the work advertised for contract, previous to my arrival in the State. The interval between my arrival and the time of letting being but a few days, did not permit me to make any extensive examinations of the route. The heaviest and most difficult part of the line, however, was examined carefully, being that part in the immediate neighborhood of Madison. I also made an ocular examination of other routes, both above and below the town, and was then satisfied, that the best location had been adopted. Since that time I have had opportunity of more particularly examining the location of this work, and do not hesitate to give it my decided approval.

The country lying between Madison and Vernon is of peculiar character, and one over which the construction of a Rail Road is attended with much difficulty. The high ground fronting on the Ohio river for many miles, both above and below Madison are abrupt in their ascents; all ravines or valleys terminate at short distances, and are surmounted by perpendicular cliffs of limestone. This feature of country will be more readily understood when you are told that at a distance of but a little more than two and a quarter miles from Madison, the level of the country is 431 feet above the commencement of the road at Madison, 214 feet above its level at Vernon, and 250 feet above its level at Columbus. The peculiarity of this section of country exists farther, in the fact that at a distance of not more than four miles from Madison, we encounter the tributary waters of the Wabash river, running parallel with the Ohio. We are thus compelled to cross the valleys of nearly all the streams encountered directly at right angles. Some of these valleys are deeply indented below the general level of the country, and can only be crossed at a heavy expense. The principal difficulty however, is confined to a few points only. The first in magnitude of these, is found between the commencement of the road at Madison, and the head of the inclined plane. Here nearly one third of the whole expense of the work under contract originates; and let me further say, could not be avoided without materially affecting the capacity of the road; and even in such case the saving of cost would not be at all equal to the sacrifice. At this place, but two expedients seemed to have presented themselves to the locating Engineer; either to make a circuitous and curved road at a grade over 100 feet per mile, and that at a tremendous expense, or to adopt an inclined plane. The latter plan has, in this case, I believe, been wisely adopted. I am by no means partial to inclined planes; whenever it is possible by any reasonable expense to avoid them, such avoidance should by all means be had. In this case, however, no other practicable mode of construction presented itself. A cheaper plane than that now under contract might have been constructed, but its grade would have been such as would have completely forbid the use of horse power; such to say the least, would have been an inexpedient location. The inclined plane as adopted, and now under contract, is suited to the employment of horse power, having a grade of only 313 feet per mile, and whenever the employment of such power is deemed no longer advisable, it will answer equally well for the employment of stationary power. It is not certain, however, that either of these means will be resorted to. This plane has a lower grade than that of the plane on the Columbia Rail Road near Philadelphia. By late experiments it has been clearly demonstrated, that, with the improved locomotive engines, a weight of nearly nine tons could be carried from the foot to the head of that plane, in the short space of two and a half minutes, being a distance of 2800 feet, the ascent being at the rate of 369 feet per mile. In after experiments it was found entirely practicable to stop the engine on the plane with the same load and ascend or descend, with nearly the same facility that could have been exercised on a level road.

The result of these experiments induce the hope, that all the freight which will be carried on the Madison and Lafayette Rail Road, may be carried by the use of locomotive engines only—should such hope be realized, the propriety of the present location cannot be a matter of doubt. This opinion is expressed with the more confidence, inasmuch as the grade of this plane is fifty six feet less in a mile than that on the Columbia road. Since the time of making the experiments referred to it has been the fortune of your Engineer to examine that plane personally, also the locomotive spoken of, as well as another locomotive constructed by the same artist, the powers of which were proved by similar experiments to be fully equal, if not superior to that of the first.—Knowing then what has been done, it would be strange, if your Engineer should give less credit to Western than to Eastern enterprize, and say that we cannot employ locomotion, on a plane where the ascent is 56 feet less in a mile than the ascent of the plane where the experiment has been successful. Such opinion would ill comport with the genius and enterprize exhibiting itself more and more every day in what is fitingly called the "mighty west."

I append hereto a statement, marked A., showing the names of the contractors, and the prices to be paid for the graduation, masonry and bridging of the 1st and 2nd Divisions, and the cost of each section, and also the estimated cost of the same work, made previously to its being put under contract.

From that statement you will perceive, that the whole cost of the 1st and 2nd Divisions, estimated at contract prices, will be $609,633, and that the average cost per mile will be $27,710; of this amount the sum of $176,827 is applicable to the distance between the commencement of the road at Madison and the head of the inclined plane. You will observe also, that on the 1st, 8th and 16th sections of the 2nd Division, the aggregate cost will be $179,730. It follows then, that the cost of the distance between the commencement of the road and the head of the inclined plane, added to the cost of the sections last named, will amount to the sum of $356,557. This calculation comprises a distance of only 3.46-100 miles—thus showing the fact, that this last named distance will cost under contract prices, $102,481, more than the whole of the remaining part of the line, comprising a distance of 18.54-100 miles. Such heavy expenditures cannot occur again on any part of the route between Vernon and Indianapolis. The country lying between those points is one which is considered peculiarly favorable for the construction of rail roads, and presents facilities for such improvements greater than I have ever seen elsewhere.

Immediately after the lettings were had on this road, the Resident Engineer, E. M. Beckwith, was directed to organize a party and proceed to make the location from Vernon to Columbus. In order that a full understanding of the whole intervening country should be had, it was deemed necessary that three distinct locations, between those points, should be made, occupying the best and most favorable ground; transverse sections connecting these lines, were also directed to be taken, as by such surveys an accurate knowledge of the country could be acquired. This duty has been promptly and efficiently executed. From the report submitted to me, and the calculations and statements appended thereto, all of which have been examined closely and carefully, my previous opinion respecting this part of the road has been confirmed. The total estimated cost of the graduation of each line located is as follows, viz:

The eastern line,	the length of which is	21.85 miles,	$355,589
Middle line,	length “	21.57 “	389,309
Western line,	length “	21.78 “	335,590

I believe these estimates large, even at the present advanced prices of labor and provisions. Should any depression take place, in these prices, then the estimates of these several lines will certainly overrun the actual cost.

The practice of estimating work at less than its actual cost, is always reprehensible, leading as it does frequently to the embarkation in works which would be on fair representation considered inexpedient. So far as regards the estimates of the different lines from Vernon to Columbus, an effort has been made to avoid this fault. Your Engineer deems it his duty to present you with no statement, that will not bear the strictest scrutiny. If on putting the work under contract he is found to have erred, that error must be attributed to a want of judgment, or a full knowledge of circumstances, and not to any intention to deceive. I have come to no determination which of the routes surveyed between Vernon and Columbus should be adopted. This is left for future consideration and future contingencies. The difference between the several routes is so small, that a very little matter may determine the location; it is therefore manifestly improper, that I should at this time express any opinion of preference.—In order that you may duly appreciate the weight that ought to be attached to the estimates on these surveys, I would respectfully request, that your attention be turned to the estimates of the 1st and 2nd Divisions already referred to, which accompany this report in the Tabular Statement, marked A. By reference to that statement, it will be found, that the estimates and the actual cost differs only $13,758, on the whole of the work now under contract.

It may perhaps be travelling out of my sphere, to ask your attention to the subject, which I now propose to give a hasty examination; but I would consider myself wanting in duty to the State, did I withhold any information or opinion connected with your improvements, which would be at all likely to throw any light on this subject. Let me then say, that I look on the completion of this road, at least to Columbus, at the earliest possible period, of much importance to the State. The road now under contract, when completed, cannot be a source of profit—the amount of money expended or to be expended forbids the idea. It must be a source of expense, if suffered to stop at Vernon. It will be so, because it is distant from the rich and fertile country from which a great portion of the tonage must be expected. It will be so further, because the expense of its construction is not at all proportional to the distance. It would seem then to me, that true policy would dictate the propriety of putting the work under contract, at least as far as Columbus, at the earliest practicable period. The work being generally of light character, could be executed as soon as the heavy work now under contract, so that the whole distance from Madison to Columbus, may be brought into use simultaneously. Let the road be completed to Columbus, and I believe, from the best information I have been able to collect, that the tolls, arising therefrom, will pay the interest of the money invested in its construction. Should such be the case, the propriety of this immediate extension cannot be questionable; the consequent increase of the population and wealth of the country would secure a revenue hereafter, which revenue will be increased by all future extensions. The capacity of the road, even with a single track, will be great, located as it is, almost without curves, and what is known to be easy grades.

Taking the lowest estimate that can well be made, a single locomotive engine will move twenty tons of freight from Madison to Indianapolis in one day; and the actual cost attendant on that removal cannot exceed $16. I would by no means, however, thus limit the power of a locomotive. There are now engines on the Columbia rail road, fully capable of drawing a gross weight of 112 tons, on that road, at the rate of from 10 to 15 miles per hour. The location of the Madison and Lafayette rail road is far superior to that of the Columbia rail road. Here, we have but little curvature and easy grades—there, much rapid curvature end heavy grades are encountered. The present rates of transportation between Madison and Indianapolis are better known to yourself than to me. You can therefore more readily draw the proper contrast. The advantage to travellers on this road will also be great. At present, nearly four days are consumed in making the trip from Madison to Indianapolis. Let the road be completed, and the same trip may be performed in four hours.

The plan of superstructure which I propose adopting, I will describe briefly.

In the first instance, a continuous line of timber is to be laid longitudinally with the road, immediately under the bearing of each rail: these longitunal bearing pieces are to be flattened only, and may vary in size from ten inches and upwards, and are to be firmly embedded in trenches cut in the road. Upon these timbers are to be placed cross ties at intervals of four feet from centre to centre, in which gains are to be cut of such capacity as will admit the wooden string piece. In curved lines, and whenever in other cases it may be deemed necessary, the cross ties are to be secured to the bearing timbers by good oaken pins. The string piece or rail will then be laid and secured by wedges. The iron bar is to be placed on this string piece, secured by spikes of sufficient size; the joinings of the bars are to be supported by bearing plates. The size of the cross ties are to be not less than 6 by 8 inches. The wooden rail to be of the same dimensions, having its greatest diameter vertical to the plane of the road.

The kind of bar or iron rail to be used is not yet determined on, circumstances will in a great measure control this determination; the present price of iron is high, and present economy would dictate the propriety of using the lightest and cheapest kind of rail,—experience has proved however, that such economy is frequently extravagance in the end.

The estimated cost of the wooden superstructure, not including the iron railing, on the plane heretofore specified, is $3,036 per mile. The cost of the iron cannot be determined, fluctuating as the prices are at present. If, however, the cheapest kind of bar should be adopted, at present prices, the whole cost of superstructure is estimated at $4,490 per mile for a single track. A rail of increased size or weight would give a consequent increase of cost. It is hoped, however, that the present rates will not be retained. Iron is now falling in price in England. The price of labor in our own country must fall also, as it cannot be expected that the same scarcity of provisions, that now exists, will soon exist hereafter, unless indeed a second failure of eastern crops should take place,—such failure would seem almost contrary to the law of nature.

OF THE JEFFERSONVILLE AND CRAWFORDSVILLE ROAD.

At a meeting of the Board of Internal Improvement held in October last, it was determined that, that portion of road between Jeffersonville and New Albany, should be located and put under contract, as soon as circumstances would permit, and that this location should be so made, that it would answer equally well for a M'Adamized or for a Rail Road, and that an accurate survey and estimate should be made under the direction of your Chief Engineer, of the route between that point and Crawfordsville, in order that the practicability of constructing a rail road should be determined. The first of these duties has been performed. Immediately after the resolution of the Board was communicated to me, I directed Mr. Fauntleroy, who had been engaged in previous surveys on that route, and who was considered as the Resident Engineer, to proceed to the location of the road between Jeffersonville and New Albany. This location was made, and I take pleasure in saying it was, I believe, well made. It underwent my examination and received my approval. It may seem strange, that your Engineer should tell you that this location was attended with peculiar difficulties; yet such was the fact. A great portion of the country, between Jeffersonville and New Albany is subject to inundation from the Ohio river, and that in some places, back to a distance of several miles. The propriety of locating a road, below high water mark, is always questionable,—here it would be even more so, when it is expected that this road will be a great and important thoroughfare. Much heavy work must then be encountered. Any attempt to avoid this expense would have elongated the road so much that the difference in distance would, it was thought, have rendered it equally costly in the aggregate, and the additional difficulty would exist, of having increased curvature and a direction unsuited to any extension of the road hereafter, having a conformity to the requisitions of the law authorising its construction.

That part of the requisition of the Board relating to a location and estimate of the whole route, with a view of determining the future character of this road, will be complied with, at as early a period as is practicable. As long as this character is undetermined, so also is the location, and it would be therefore manifestly improper in me to give any expression of opinion respecting it now, leading as it might do to improper conclusions. Let me be permitted however to say, that I look on the construction of the work between Jeffersonville and New Albany as of much importance, taken in any light, believing as I do, that the true policy of the State is to keep her capital within her own borders, so far as is practicable. At present nearly the whole trade arriving at New Albany from the interior of this State, intended for an up river market, passes through Louisville, where its sale or transshipment is effected. Let the road between Jeffersonville and New Albany be completed, and at least a fair competition may be had with the capital of a foreign State; a competition that must add to the wealth and prosperity of your own State. This is not a subject on which I ought, perhaps, to expatiate, and I therefore leave it.

It is proper to add, that although the lettings have been had on this work, no contracts have yet been made, that I am informed of. The most favorable bids I consider low.

Appended hereto is a tabular statement marked B., from which the cost of each kind of work, as well as of each section may be learned, provided, that the bids, which I have deemed the most favorable, meets the approbation of the Acting Commissioner. In such case the aggregate cost, as will be observed, amounts to $133,909, and the average cost will be $29,216 per mile.

The difficulty of procuring stone of a suitable quality for a work of this importance, is considerable; the nearest known quarry from which they can be obtained, is at least 12 miles, from the work, up the river. The transportation can, however, be easily effected by water. The price offered I believe is reasonable, when the character of the work to be executed is considered.

NEW ALBANY AND VINCENNES M'ADAMIZED ROAD.

The location of this road, between New Albany and Paoli, was made and the work advertised for contract, previous to my entering into the service of the State. Previously to the time of letting, however, such information was communicated to me by the Resident Engineer, John Frazer, relative to the location, accompanied by profiles and plans of the mechanical superstructures, that I did not hesitate in giving it my approval.

The statement hereto attached, marked C., contains the same information respecting this line as tables A. and B. do, with regard to the lines to which they have reference. From this statement it will be perceived, that the whole cost of this work is $207,793, and that the average cost per mile is $5,007.

This work, I believe, has been let on very favorable terms to the State, and will, I have no doubt, be a source of profit hereafter.—It was provided in the contracts on this road, as well as on the Madison and Lafayette rail road, that all rock not required for the construction of the work, should be considered the property of the State, and should be piled within the limits of the road. This provision being carried into effect, the cost of M'Adamizing this road will be materially lessened. Whenever the rock is of suitable quality for this purpose, the expense of transportation and quarrying is saved. When unsuited to this purpose, it may be disposed of for other purposes. Should such disposition be made, the profits arising therefrom accrue to the State, and are fairly deducible from the cost of the work.

The metalic or M'Adamized covering of this road is proposed to be formed as follows. The stone being three perches to the rod, for the first coat, is to be broken on the side of the road in continuous strings, and are to be reduced to a size not exceeding four ounces in weight. After the stone thus broken, has been measured and approved by the Engineer, they are to be thrown on the central twenty feet of the road, with shovels, and during this process, to be kept well raked, so as to insure an even and compact distribution of the same. After the first coat of metal has been thus put on the road, and sufficiently consolidated either by the action of the weather or travel, a second and third coat of the same number of perches to a rod will be put on, in the samee manner, and with the same reference to its proper consolidation. These several coats of metal will form a covering of nine inches in thickness, which is thought to be sufficiently permanent for this road. Much care will however be required in keeping the road properly raked, and in making a proper distribution of travel over it, in order that a regular consolidation may be had. This plan will require 2880 perches of metal per mile; the cost I am unable to determine, not having sufficient personal knowledge of all the road. If the stone were delivered on the line of the road, the cost of breaking, throwing on, raking and keeping in order the same, until a proper consolidation is effected, would be about 37½ cents per perch, or $3 37½ per rod. The cost of stone requiring to be quarried and hauled to the road, must depend on the distance they are to be transported and the facility with which they can be quarried; with these circumstances I am not conversant.

Permit me again to travel out of the sphere of what may seem to be my duty, and suggest the propriety of a speedy extension of this work to Vincennes, the point on the Wabash river, contemplated by law.—The travel between New Albany and that place is immense; the present road is bad; the growing importance of the country calls loudly for its improvement. At the ordinary rates of tolls, a turnpike road cannot fail of paying more than the interest on its cost; if such opinion be correct the importance of this extension is obvious. Whenever the tolls arising from any State work will pay the interest on its cost, and keep such work in repair, its expediency cannot be doubted, leading as such works always do, to the increase and population of the country, and a consequent increase of revenue to the State.

In closing this report, permit me to acknowledge the services of the Resident Engineers on the several roads under my charge. The duties assigned to them have been performed with fidelity, and I hesitate not to say, that I will look to them hereafter with much confidence, for information of, and co-operation in the execution of the works entrusted to my charge.

Permit me also to apologize for the late period of your receiving my report. The time of my entrance into your service is recent, and much has been required to be done; circumstances of an uncontrolable nature have not even allowed me to devote the whole of this period to your works. Such circumstances, it is hoped, will not occur again.

Very Respectfully,
H. M. PETTIT, *Principal Engineer*
On Railways and Roads.

Indianapolis, January 16, 1837.

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H. R.

REPORT

OF

THE COMMITTEE OF WAYS & MEANS.

JANUARY 23, 1837.

Read, and 2000 copies ordered to be printed.

Mr. Speaker—

The committee of ways and means, whose duty it is to examine the offices of Auditor and Treasurer of State, the situation of the Treasury, the present and prospective state of the finances, and generally all things connected with the administration of the above offices, and the fiscal concerns of the State, submit the following report:

The committee have examined the books, papers, vouchers, warrants, and the cash on hand, in the offices of the Auditor and Treasurer, and find the same all correct. The books are neatly and accurately kept, and the various duties of both offices faithfully and diligently performed.

The following abstracts, numbered one, two, three, four and five, present a detailed view of the public finances.

Abstract No. 1, contains a statement of the assessment, collection, and payment into the treasury for the year 1836, by which it appears that the nett amount for the Treasury was $59,440 86. That the actual payments into the Treasury, up to the first of January instant, were $58,079 90, which leaves an outstanding balance for the above year of $1,498 15.

The foregoing statement will prove the efficiency of our revenue laws, and the promptness on the part of the officers employed in collecting the revenue, alike creditable to them and the State.

No. 2 contains a statement of the receipts and expenditures for the year 1836, commencing January 1st, 1836, and ending December 31st 1836, by which it appears that the balance remaining in the Treasury on the 1st day of January 1837, was $48,608 88.

No. 3, exhibits a list of balances due the State from collectors, for former years.

No. 4, the situation of the Treasury on the 1st day of Jan., 1837.

No. 5 contains an estimate of the expenditures for the year 1837.

It will be seen by a reference to tables Nos. 4 and 5, being the estimates of the available means of the Treasury, and of the liabilities of the same, for the year 1837, that there will be, on the 30th of November next, (being the close of the financial year,) a deficit in the Treasury of $22,395 96.

This deficit has arisen, partly from the failure of the Indianapolis fund to meet the expenses attendant upon the completion and furnishing the State capitol, and partly by the failure of the anticipated amount from the revenue of 1836, which may be attributed to, and consequent upon the radical change made in our revenue system by the act of last session.

These estimates are founded upon the actual condition of our finances for the current year, and do not look into the means nor the expenditures of the State for 1838, but which will be required to be taken into consideration in anticipatory provision for the Treasury; as the revenue of the anticedent year, should be so levied, as to meet the demands on the Treasury the succeeding year.

I should not be disguised, therefore, that in providing ways and means for 1838, it will be incumbent on the Legislature, to provide not only for a debt of upward of 22,000 dollars, but for the increased expenses of the State, which in the opinion of your committee, will exceed that of 1837, upwards of 10,000 dollars; requiring a system of revenue which shall bring into the Treasury an amount exceeding that of 1836, of rising $32,000 00.

The committee deem it proper to remark, that the condition of the Treasury now presented, should not be viewed with surprise, nor regarded with discouragement.

The unexampled increase of our population, and all its attendant interests, both local and general, and the consequent growing increase of our expenses, together with the erection of a costly state capitol, highly creditable to the character of the state, without any increase of taxes other than such as have grown out of an increase of the objects of taxation, all conspire to illustrate that economy which has carried us along to the present period, with burtherns so light, and a result so favorable.

For it will be observed on a view of our receipts for revenue, for the last five years, that the per annum increase has been in about the same ratio, demonstrating that the act of last session did not, as was expected, materially increase the revenue or the burtherns of the people, although it effected, to some extent, a change in the tax payers.

From this view of the subject, and from all the lights your committee have been able to gain upon the fiscal affairs of the state, they deem it their duty to recommend such increased per cent. of tax upon assessments, as will provide for the treasury the amount of $32,000 00, over the amount realized the past year.

Your committee are satisfied, after the most critical examination into the resources of the State, that a per cent. of less than ten cents on the one hundred dollars valuation will not meet the ordinary expenditures of the state, and meet the present deficit. As the subject of increasing the taxes is at all times one of grave consideration with the representatives of a free people, and as the necessity should most obviously exist before resorting to it, your committee deem it not misplaced to afford to the House the data upon which their conclusion is founded.

In 1836, there were assessed 75,000 polls. Of this number 7,000 were delinquents and paid no tax. In 1837 it is supposed there will be 82,000 polls, at least 7000 of which will be delinquent, leaving for 1837, 75,000 polls, on which the tax will be realized, which at 50 cents on each, amounts to $37,500. In 1836, the assessment of the whole amount of taxable property amounted to $78,000,000, on which were realized to the treasury, including the 5 per cent. set apart in each county for purposes of education, $33,000.

It is believed, that in 1837 the assessments will equal $85,000,000; then if $75,000,000 at 5 cents on the $100, neated to the treasury $33,000; $85,000,000 at the same per cent. will realize $36,500, which added to the $37,500, the tax on polls, will produce the sum of $74,000.

The expenditures of 1837, as per table No. 5, will be	$77,124 84
The increase of expenditures to 30th Nov. 1838	10,000 00
To which add deficit in Treasury, 30th Nov., 1837	22,395 96
Making the expenses up to 30th Nov. 1838, with the deficit on the 30th Nov., 1837	$109,520 80

To pay this as above, at 5 cents on the one hundred dollars, there will be received but $74,000, and that too on the supposition that the 12½ cents on each poll, and the 5 per cent. for education purposes are placed in the treasury, which would leave a deficit in the treasury on the 30th November, 1838, of $35,520 80; to meet which, 5 cents additional must be laid on the assessments of 1837, which will amount to the further sum of $36,500. Add this to the 74,000, as above, and it makes $110,500, the whole amount of receipts; and deduct from this the expenditures $109,520, and there will be left in the treasury on the 30th November, 1838, $479 20.

Thus it will be evident to the House, that less than ten cents on the $100, will not defray the ordinary expenditures of the government.

As the treasury will be liable for the entire amount of the estimate, and the Treasurer of State to the disbursement of the same, prior to the next session of the General Assembly, it will be necessary to authorize by law, the Treasurer to make a temporary loan if it shall become necessary.

In addition to the foregoing exhibits and remarks in reference to the ordinary revenue and expenses of the state the committee will suggest a few remarks in regard to their action upon the report of the State Board of Internal Improvement of January 7th, 1837, referred to the committee of ways and means.

The report of the Board states that there will be required in the present year the sum of $50,000, to meet the interest on loans, and that in the next year (1838), there will be required the sum of $108,000, for the same object. The committee are of opinion that in any probable disposition of the surplus revenue there may safely be estimated an amount of interest derivable from that fund of $61,173 33, which, as the interest will be paid in advance, will be available in time to meet the demand for interest the present year, and leave an excess applicable to the next year of $11,173 33.

For the year 1838, the same amount may be expected from interest on surplus revenue, which, with the excess of the present year, will make the sum of $72,346 66; but which will be inadequate to meet the demands for interest in 1838, by an amount of nearly $36,000.

To enable the Fund Commissioners to discharge the obligations of the State in the prompt payments of the interest as it shall become due, the committee feel it to be their duty to recommend that an additional levy of 5 cents on the $100 be authorized with especial view to this object.

To enable the House of Representatives the better to appreciate this matter, the following statement is presented:

1837.	
*There may be realized from interest of surplus revenue in 1837,	$61,173 33
The amount required in 1837 to meet the interest on loans, as per report of the Board of public works,	50,000 00
Excess applicable to the next year,	$11,173 33
1838.	
The interest of surplus revenue	61,173 33
Excess of last year as above	11,173 33
By 5 cts. on each $100, proposed to be levied expressly to meet the interest on loans	36,500 00
	$108,846 66
The demands for interest on loans in 1838, will be as per said report	108,000 00
Excess applicable for next year	$846 66

Respectfully submitted,

MARKS CRUME,
Chairman of Com. Ways and Means.

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*This estimate of interest from surplus revenue is predicated upon the supposition that it will be funded so as to produce 8 per cent. interest nett, two-thirds of which is taken into this estimate.

STATEMENT No. 4—Showing the available means of the Treasury for 1837.

The amount in the Treasury on the 1st day of Jan. 1837, was	$48,608 88
There will probably be paid into the Treasury on account of arrears of revenue of 1836, and previous years,	2,000 00
Rents of State Prison	2,620 00
It is estimated that there will be realized from sale of Lots at Indianapolis	1,000 00
Per cent. on Bonds issued by the State for Lawrenceburgh and Indianapolis Rail Road Company	500 00
	$54,728 88

STATEMENT No. 5—Being an estimate of the Expenditures for the year 1837, and Public Debt.

Pay of members and officers of the present session of the General Assembly, and incidental expenses		$28,000 00
Printing and Stationary		6,500 00
Specific appropriations		2,000 00
Judiciary, including Prosecutors		14,900 00
Probate Judges		3,000 00
Executive officers		3,100 00
Adjutant and Quarter-master Generals		150 00
Contingent expenses		1,000 00
Wolf Scalps		700 00
State Library		100 00
State Prison		4,620 00
State House, including expenses of last year not audited		7,000 00
The Public Debt consists of the following liabilities of the Treasury, viz:		
Estates without heirs	$1,306 66	
Conscientious Fines to be distributed	543 00	
Saline Fund in the Treasury	3,604 78	
		6,054 84
Total amount of Expenditures of 1837		$77,124 84
From which deduct the means of the Treasury for 1837, as per table No. 4		54,728 88
Showing an excess of Expenditure over the receipts, of		$22,395 96

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